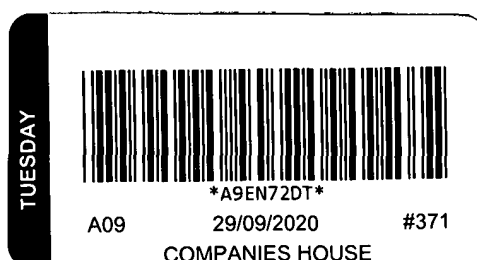


Velcro Limited

Annual report and financial
statements

Registered number 02737177
31 December 2019



Content

Directors' report	1
Statement of Directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of Velcro Limited	4
Statement of profit	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

(Amounts in GBP £)

Directors' report

The Directors present their annual report and audited financial statements for Velcro Limited ('the Company') for the year ended 31 December 2019.

Principal activities

The principal objective and activity of the Company is to distribute Velcro® brand fastening solutions to UK-based businesses and consumers.

Business review

During the year, the Company has reported turnover of £11,126,024 (2018: £10,552,562), an increase of 5.4% from the previous year. Gross margin has improved to 34.8% in 2019 (2018: 26.1%). Profit for the year of £266,647 (2018: £190,225) has increased by 40.2% compared to the previous year.

The results for the year are set out on page 6 of the financial statements.

Principal risks

Foreign currency risk

The Company is exposed to foreign currency exchange risk because it has sales and purchases denominated in foreign currency. The Company does not enter into foreign currency hedges because of the short-term nature of its foreign currency transactions, which are usually settled within three months.

Employee retention

The Company is committed to provide a workplace where employees are hired, trained, compensated and promoted in a manner free from harassment and discrimination. Every effort is made to retrain and support employees who become disabled while working.

COVID-19 Outbreak

The Company will continue to monitor the potential impact of the COVID-19 outbreak and will adapt and respond as necessary to mitigate adverse effect to its business. The Company experienced a delay in the fulfilment of orders during the first half of 2020 due to temporary supply chain disruption brought by the outbreak. As operations within the supply chain has started to normalize during the second half of 2020, the Company has been accelerating its fulfilment activities to reduce backlogs on orders. For the eight months ended 30 August 2020, the Company's turnover is approximately 4% lower compared to the same period in the prior year. For the year ending 31 December 2020, the Company's turnover is expected to be approximately 2% lower when compared to turnover for the year ended 31 December 2019.

Key performance indicators

	2019	2018	Change
Turnover	11,126,024	10,552,562	5.4%
Gross profit	3,872,243	2,754,110	40.6%
Gross margin	34.8%	26.1%	33.3%
Profit for the year	266,647	190,225	40.2%
Staffing			
Average number of employees	19	20	(1)

(Amounts in GBP £)

Directors' report *(continued)***Proposed dividend**

No dividends have been declared or paid during the year (2018: £nil).

Directors

The Directors who held office during the period were as follows:

- J Freixas Güell (resigned 28th February 2020)
- R Woodruff (resigned 28th February 2020)

The Directors appointed during the subsequent period were as follows:

- F. DiNota (appointed 28th February 2020)
- B. Kaplan (appointed 28th February 2020)
- G. Parisse (appointed 24th June 2020)
- M. Del Carmen-Rodriguez (appointed 24th June 2020)

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: £nil).

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that all steps have been taken to ensure that relevant audit information has been disclosed to the auditor.

Auditor

The Board anticipates to reappoint KPMG LLP as an external auditor of the Company upon the recommendation of the Group Audit Committee.

By order of the board on 21 September 2020



Maria Del Carmen Rodriguez
Director

3 Booths Park, Chelford Road
Knutsford
Cheshire
WA16 8GS

(Amounts in GBP £)

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Velcro Limited

Opinion

We have audited the financial statements of Velcro Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to note 2 of the financial statements which indicates that the company's ability to continue as a going concern is dependent on the continued financial support from its parent company, VIL Limited. The financial statements of VIL Limited include a material uncertainty related to going concern and therefore the availability of support may be in doubt if required. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Velcro Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

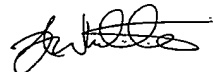
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St. Peter's Square,
Manchester,
M2 3AE

25 September 2020

Statement of profit

Velcro Limited

For the year ended 31 December 2019

(Amounts in GBP £)

	Note	2019	2018
Turnover	3	11,126,024	10,552,562
Cost of sales		(7,253,781)	(7,798,452)
Gross profit		3,872,243	2,754,110
Distribution costs		(286,619)	(352,699)
Administrative expenses		(3,277,476)	(2,225,477)
Total operating expense		(3,564,095)	(2,578,176)
Operating profit		308,148	175,934
Finance (cost) / income, net	7	(48,945)	15,205
Profit before taxation		259,203	191,139
Income tax credit / (expense)	8	7,444	(914)
Profit for the year	4	266,647	190,225

The Company has no other comprehensive income in either the current or preceding year other than those reported above.

The notes on pages 9 to 17 form part of these financial statements.

Statement of financial position

Velcro Limited
At 31 December 2019
(Amounts in GBP £)

	Note	2018	2018
Fixed assets			
Property and equipment	9	177,041	5,209
Current assets			
Receivables and other current assets	10	1,840,244	2,682,566
Cash at bank and in hand		1,103,120	353,111
Total current assets		2,943,364	3,035,677
Current liabilities			
Payables	11	(1,610,698)	(1,797,826)
Net current assets		1,332,666	1,237,851
Net assets		1,509,707	1,243,060
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		1,509,607	1,242,960
Shareholder's funds		1,509,707	1,243,060

The notes on pages 9 to 17 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 September 2020, and were signed on its behalf by:



Maria Del Carmen Rodriguez

Director

Company registered number: 02737177

Statement of changes in equity

Velcro Limited

For the year ended 31 December 2019

(Amounts in GBP £)

	Called up Share capital	Profit and loss account	Share- holder's fund
Balance at 1 January 2018	100	1,052,735	1,052,835
Total comprehensive income for the year			
Profit for the year	—	190,225	190,225
Balance at 31 December 2018	100	1,242,960	1,243,060
Total comprehensive income for the period			
Profit for the year	—	266,647	266,647
Balance at 31 December 2019 (<i>Note 14</i>)	100	1,509,607	1,509,707

The notes on pages 9 to 17 form part of these financial statements.

Notes to the financial statements

Velcro Limited

For the year 31 December 2019

(Amounts in GBP £)

1 Reporting entity

These financial statements were prepared in conformity with International Financial Reporting Standards ("IFRS") as adopted by the EU. In these financial statements, the Company have applied the exemptions available under Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statement reporting year.

Velcro Limited (the "Company") is incorporated and domiciled in England in the UK. The Company's registered office address is at 3 Booths Park, Chelford Road, Knutsford, Cheshire, England, WA168GS. The Company's financial position, results of operations and cash flows are consolidated into its parent Company VIL Limited. The consolidated financial statements of VIL Limited are prepared in accordance with IFRS and are available to the public and may be obtained from The Registrar of Companies in England and Wales.

This is the initial year that the Company applied the provision of IFRS 16, Leases, which require recognition of right-of-use assets and lease liabilities related to operating leases. The effect of the adoption is disclosed in Note 2.9

2 Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

2.1 Measurement convention

The financial statements are prepared on the historical cost basis.

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking into account reasonable possible downside scenarios, the company will have sufficient funds, through funding from its parent company, VIL Limited, to meet its liabilities as they fall due for that period.

VIL Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes to the financial statements (continued)

Velcro Limited

For the year 31 December 2019

(Amounts in GBP £)

2 Accounting policies (continued)

2.2 Going concern (continued)

However, continued support is dependent on the ability of the VIL Limited Group being able to settle its liabilities as they fall due. The Directors of VIL Limited have concluded that a material uncertainty exists over the VIL Limited Group's ability to continue as a going concern due to the future impact on the Group of the recent COVID-19 outbreak, particularly in relation to the impact on the supply chain which is outside of the Director's control. Please see the VIL Limited Group's financial statements on Companies House for further disclosure.

Based on their enquiries the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realizing its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange spot rate at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange spot rates at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2.4 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.5 Impairment excluding deferred tax assets

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes to the financial statements (continued)

Velcro Limited
For the year 31 December 2019
(Amounts in GBP £)

2 Accounting policies (continued)

2.5 Impairment excluding deferred tax assets (continued)

Non-financial assets

The carrying amount of non-financial assets, other than inventory, are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized when carrying value is higher than recoverable amount, which is the higher of the assets fair value or value in use. Value in use represents the discounted identifiable cash flow generated by the lowest level group of assets independent from other group of assets.

2.6 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over their estimated useful lives as follows:

- leasehold improvements shorter of lease period or useful life of underlying asset
- plant and equipment 5 years
- fixtures and fittings 3-7 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

2.7 Employee benefits

The Company has a defined contribution plan for its eligible employees. Any contribution of the Company to the plan are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2.8 Turnover

Turnover represents the contract stated price derived from the sales of hook and loop fasteners to customers, excluding value added tax ("VAT"), expected returns, rebates, and allowances. Turnover are recognized at point in time, when the goods are delivered to the customers as agreed in the contract.

2.9 Leases

The Company adopted IFRS 16 Leases effective January 1, 2019, using the modified retrospective approach (no restatement of prior period which continues to be reported under IAS 17). In January 1, 2019, the Company recognized £85,261 of right of use asset and £85,261 lease liabilities. In measuring the lease liabilities at January 1, 2019, the Company used the risk-free rate of 1%. Following is the reconciliation of the operating lease commitments at December 31, 2018 as disclosed under IAS 17 in the Company's notes to the financial statements:

	Amount
Operating lease commitment at December 31, 2018	109,183
Discount using the risk-free rate at January 1, 2019	(922)
Exemption for low value and short-term leases	(23,000)
	<u>85,261</u>

Prior to adoption of IFRS 16, payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Notes to the financial statements (continued)

Velcro Limited

For the year 31 December 2019

(Amounts in GBP £)

2 Accounting policies (continued)

2.10 Financing expenses

Financing expenses include interest expense and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

2.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax amount is determined by applying the tax rates enacted or substantively enacted at the balance sheet date to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Any deferred tax asset is recognised only to the extent that it is probable that can be utilised.

3 Turnover

Turnover consists of:

	2019	2018
External sales	11,632,700	10,865,293
Cash discounts	(32,800)	(58,239)
Returns and allowances	(120,143)	(82,083)
Rebates	(353,733)	(172,409)
	<u>11,126,024</u>	<u>10,552,562</u>

Turnover by geographical market:

	2019	2018
United Kingdom	8,664,191	8,616,416
Rest of the world	2,461,833	1,936,146
	<u>11,126,024</u>	<u>10,552,562</u>

4 Expenses and auditor's remuneration

Profit for the year is determined after deducting the following expenses:

	2019	2018
Finance costs / (income), net (Note 7)	<u>48,945</u>	<u>(15,205)</u>
Auditor's remuneration:		
Audit of these financial statements	16,064	14,852
Other services relating to taxation	—	3,676
	<u>16,064</u>	<u>18,528</u>

Notes to the financial statements (continued)

Velcro Limited
For the year 31 December 2019
(Amounts in GBP £)

5 Staff numbers and costs

The average number of employees (including Directors) by category during the year:

	2019	2018
Sales and administration	18	16
Warehouse	1	4
	19	20

The aggregate payroll costs of for these employees are as follows:

	2019	2018
Wages and salaries	973,155	941,465
Social security costs	95,309	92,241
Other pension costs (see Note 13)	70,790	46,482
	1,139,254	1,080,188

6 Director's remuneration

The directors were paid remuneration of £100 during the period (2018: £100).

Certain Directors who served during the year are also Directors of the parent company or a fellow subsidiary company and are remunerated by those companies. Although they do receive remuneration from these companies in respect of their services to various group companies including this company, it is not practicable to allocate their remuneration to individual companies in the group.

7 Finance costs / (income), net

	2019	2018
Interest expense / (income)	13,555	(26,213)
Interest on lease liabilities	629	—
Foreign exchange loss	34,761	11,008
	48,945	(15,205)

8 Taxation

8.1 Recognised in the profit and loss account

	2019	2018
UK corporation tax		
Total current tax	—	—
Deferred tax (see Note 12)		
Origination and reversal of timing differences	(2,176)	1,022
Adjustment in respect of previous years	(5,268)	(108)
Tax on profit on ordinary activities	(7,444)	914

Notes to the financial statements (continued)

Velcro Limited
For the year 31 December 2019
(Amounts in GBP £)

8 Taxation (continued)

8.2 Reconciliation of effective tax rate

	2019	2018
Profit/(loss) for the year	266,647	190,225
Income tax (credit) / expense	(7,444)	914
Profit before taxation	259,203	191,139
Tax using the UK corporation tax rate of 19.00%	49,249	30,496
Non-deductible expenses	22,157	24,020
Impact of group relief	(73,582)	(53,494)
Other Adjustment in respect of previous years	(5,268)	(108)
Total tax (credit)/expense	(7,444)	914

9 Property and equipment

	Land /Building	Machinery	Office equipment	Leasehold	Total
Cost					
At beginning of the year	7,773	75,682	387,521	116,107	587,083
Recognition of right-of-use asset – initial adoption of IFRS 16	—	—	85,261	—	85,261
Adjusted balance at January 1, 2019	7,773	75,682	472,782	116,107	672,344
Additions	175,041	—	—	—	175,041
At end of the year	182,814	75,682	472,782	116,107	847,385
Accumulated depreciation					
At beginning of year	(7,773)	(75,682)	(382,312)	(116,107)	(581,874)
Depreciation	(41,677)	—	(46,793)	—	(88,470)
At end of the year	(49,450)	(75,682)	(429,105)	(116,107)	(670,344)
Net book value					
At 31 December 2019	133,364	—	43,677	—	177,041
At 31 December 2018	—	—	5,209	—	5,209

Notes to the financial statements (continued)

Velcro Limited
For the year 31 December 2019
(Amounts in GBP £)

9 Property and equipment (continued)

Following are the right-of-use assets included in the property and equipment:

	Land /Building	Office equipment	Total
Cost			
Recognition of right-of-use asset – initial adoption of IFRS 16	—	85,261	85,261
Additions	175,041	—	175,041
At end of the year	175,041	85,261	260,302
Accumulated depreciation			
At beginning of year	—	—	—
Depreciation	(41,677)	(44,290)	(85,967)
At end of the year	(41,677)	(44,290)	(85,967)
Net book value			
At 31 December 2019	133,364	40,971	174,335

10 Receivables and other current assets

	2019	2018
Trade debtors	1,748,518	2,100,263
Prepayments and accrued income	61,900	77,733
Amounts owed by group undertakings	12,984	315,126
Deferred tax asset (see note 12)	11,732	4,288
Other	5,110	185,156
	1,840,244	2,682,566

11 Payables

	2019	2018
Trade creditors	201,746	47,929
Amounts owed to group undertakings	832,839	1,361,543
Accruals and deferred income	377,090	386,579
Lease liabilities	170,575	—
Other taxes and social security	28,448	2,689
Income tax payable	—	(914)
	1,610,698	1,797,826

12 Deferred tax asset

Deferred tax assets are attributable to the following (there were no deferred tax liabilities):

	2019	2018
Property and equipment	3,704	3,003
Other short-term timing differences	8,028	1,285
Total tax assets	11,732	4,288

Notes to the financial statements (continued)

Velcro Limited
For the year 31 December 2019
(Amounts in GBP £)

12 Deferred tax asset (continued)

Movement in deferred tax during the year

	2019	2018
At beginning of year (see Note 11)	4,288	3,827
Change relating to prior year	—	1,375
Charge to the profit for the year	7,444	(914)
At end of year	11,732	4,288

13 Employee benefits

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions of the Company to the scheme of £70,790 (2018: £46,482). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

14 Share capital

The Company has 100 allotted, called up and fully paid-up ordinary shares with £1 par or stated value per share.

15 Operating leases

The Company adopted IFRS 16, Leases in January 1, 2019. Non-cancellable operating lease rentals as of December 31, 2018 are payable as follows:

Operating leases which expire:	Amount
Within one year	74,575
Between- one and five years	34,608
	109,183

16 Related parties

Velcro Limited have purchased and sold goods and services from and to its parent and other members of the Velcro group. Related party transactions are shown in the tables below.

Revenue	2019	2018
Velcro Europe SA	—	3,545
Velcro BVBA	—	31,908
	—	35,453
Purchases	2019	2018
Velcro Europe S.A.	8,379,463	8,779,454
Alfatex N.V.	454,198	510,215
Velcro USA Inc.	69,680	63,908
VHBV Limited	13,032	13,032
Velcro BVBA	49,826	90,900
	8,966,199	9,457,509

Notes to the financial statements (continued)

Velcro Limited

For the year 31 December 2019

(Amounts in GBP £)

16 Related parties (continued)

Creditors outstanding	2019	2018
Velcro Europe S.A.	12,984	(404,205)
Alfatex N.V.	(2,441)	17,389
Velcro BVBA	(25,193)	(30,297)
Velcro USA Inc.	(45,309)	(18,374)
VIL Limited	(231,178)	(95,239)
VHBV Limited	(528,717)	(515,690)
	<u>(819,854)</u>	<u>(1,046,416)</u>

17 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The Company is a subsidiary undertaking of VIL Limited, a company incorporated and domiciled in the United Kingdom. The ultimate controlling party is Cripps Foundation, a company incorporated and domiciled in Bermuda.

18 Subsequent events

As noted in the accompanying Directors' report, following are the changes in the Company's board of directors in 2020:

Resignation

- J Freixas Güell (28th February 2020)
- R Woodruff (28th February 2020)

Appointment

- F. DiNota (28th February 2020)
- B. Kaplan (28th February 2020)
- G. Parisse (24th June 2020)
- M. Del Carmen-Rodriguez (24th June 2020)

Subsequent to December 31, 2019, the uncertainty as to the future impact of COVID-19 outbreak on the VIL Limited Group may cast a significant doubt on the Company's ability to continue as a going concern. Refer to Note 2.2.