REGISTERED NUMBER: 02755773 (England and Wales)

Saint-Gobain Performance Plastics Rencol Limited

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2021

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for the year ended 31 December 2021

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Company Information
for the year ended 31 December 2021

DIRECTORS:	M S Chaldecott X Pinot Perigord de Villechenon
SECRETARY:	R Keen
REGISTERED OFFICE:	Saint-Gobain House East Leake Loughborough Leicestershire LE12 6JU
REGISTERED NUMBER:	02755773 (England and Wales)
AUDITOR:	KPMG LLP Chartered Accountants St Nicholas House Park Row Nottingham NG1 6FQ

Strategic Report
for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS
Saint-Gobain Performance Plastics Rencol Limited services three main business sectors: automotive, computer hard disk drive and domestic appliance. The customer base is global and primarily comprises Original Equipment Manufacturers (OEMs) or first tier suppliers to the OEMs.

The most important measure of performance within the company is defined as being the operating profit in continuing operations. In the year ended 31 December 2021 this Key Performance Indicator (KPI) decreased to £182,000 (2020: £988,000).

The company intends to continue to invest in research, development and marketing to secure growth in future demand in all markets.

Sales in the year in continuing operations increased by £320,000 to £11,531,000 (2020: £11,211,000). The profit after taxation for the year ended 31 December 2021 was £178,000 (2020: £1,082,000).

The overriding objective of the company is to maximise the growth in operating profit before non-recurring items.

There are four main strategies that have been adopted to continue to develop the operating performance of the company. These may be summarised as follows:

1) Customer Focus
   - Work with target key customers to develop tolerance ring solutions across applications.
   - Identify new customers to whom we can market existing solutions.
2) Innovation
   - Continue with the development of more capable manufacturing processes.
   - Work with suppliers on improvement programmes.
   - Continue to develop the capabilities of the workforce.
3) Quality
   - Improve quality.
   - Investment in analysis and measurement equipment.
   - Continued use of tools such as FMEA/APQP/SPC etc.
   - To reduce waste and error in our processes and systems.
4) Employee Focus
   - Improve product and process knowledge.
   - Pure research and development expenditure to identify future applications.
   - Continue investment in staff personal development and education programs.
   - Maintain manufacturing process development.

The position of the company's business at the end of the year
The company's shareholders' funds have decreased, with a dividend of £1,000,000 being paid in the year.

Strategic Report
for the year ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are set out below:

1) Reliance on large individual customers - The loss of a major key customer or the lack of new customers would severely constrain the potential for company revenues to grow. Overheads associated with a particular key customer are somewhat semi-variable and could be diminished if a key customer was lost, or not incurred as planned, if new business was not won.
2) Competition - The company occupies a strong position in the market for tolerance rings. Competition is primarily from alternative technologies. The company has negotiated single source supply agreements with a number of our key customers globally. Where direct competition exists, this has in the main been introduced by customers from within their existing supplier base but is not their core activity.
3) Employees - The company is very much a knowledge based business. Performance depends to a significant degree on the ability of its staff. The resignation of key individuals and the inability to recruit people with appropriate experience and skills from the local community could adversely impact the company's results. To mitigate these issues, the company has an in-house leadership program, technical staff development program, NVQ's and support for external qualifications. Continuous improvement teams are gathered from across all levels of the business units on an ongoing basis. Flexible working conditions are encouraged and the company has a works council. Employee turnover statistics are a KPI within the business.
4) Disaster recovery - The key operational risk to the overall company business is an incident that disrupts or terminates the operations at Bristol. There is a fail over application server in place as well as off site tape back up to ensure continuity of I.T. capability at the site. A full disaster recovery plan is in place and managed by Saint-Gobain Technology Services (SGTS).

The financial position of the company and its liquidity position are described in the financial statements.

Covid-19
The activity of the Company was strongly impacted by the Covid-19 pandemic during 2020, while 2021 saw significant variability to customer and market demand associated with Covid disruption throughout the supply chain. Against this backdrop, the measures taken by the Company to deal with the crisis caused by the pandemic were reflected both in rapid decisions taken in line with the main priorities of the Saint-Gobain Group:

- The health and safety of employees and other stakeholders
- Monitoring of the Company's cash position, with strict measures to reduce costs and control working capital requirements, in conjunction with specific actions to strengthen the cash position of the Saint-Gobain Group

The continued agile management of the working environment to adapt to changing COVID measures and conditions ensured the Company were able to service and support customers and whilst effectively mitigating Covid associated disruption. However, the company implemented cost-cutting measures to mitigate variable and disrupted demand in the Automotive market which was caused by a shortage of Semi-conductors. Expenses generated by the measures taken in response to the Covid-19 crisis, whether related to specific health protection expenses (masks, hydro-alcoholic gel, tests, etc.) or to the adaptation of industrial facilities to demand (fixed costs not absorbed due to the decline in activity), were fully recognized in operating expenses. The effects of the pandemic were considered in the valuation of assets at the balance sheet date. The review of accounts receivable following the consequences of the Covid-19 crisis did not reveal any major risk of default in payment. The fixed costs related to the under activity attributable to the Covid-19 crisis have been excluded from the valuation of inventories.

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual company is subject to a limit, which is reviewed regularly by senior management.

Liquidity risk
It is the company's policy to negotiate settlement terms with suppliers at the outset of any transaction and to make a payment to suppliers in accordance with such terms provided the supplier performs in accordance with their agreed obligations. The company's liquidity is supported by the wider Saint-Gobain UK Treasury team because it participates in a cash pooling arrangement. The directors consider that the consequent risk to the company is low.

Interest rate risk
The company has no significant interest rate risk.

Foreign exchange risk
A small proportion of the company's turnover is denominated in currencies other than Sterling. The company limits its exposure to exchange rate fluctuations by entering into periodic hedging arrangements through its ultimate parent company.

Strategic Report
for the year ended 31 December 2021

SECTION 172(1) STATEMENT
The company's sole member is Saint-Gobain Performance Plastics Europe SAS, which is 100% owned by Compagnie de Saint-Gobain. The directors consider that their duty to promote the success of the company for the benefit of its members as a whole means that they should fully support Compagnie de Saint-Gobain in its purpose of "Making the world a better home".

We operate both internationally and locally and are fully integrated within our local communities to support their vitality and help build a fairer and more sustainable world.

"MAKING THE WORLD A BETTER HOME"
Our purpose sets the course for our common future. Together with and for our customers, we design, manufacture and distribute materials and solutions that have a positive impact on everyone's life and provide well-being, quality of life and performance, while caring for the planet.

Our purpose reflects who we are. Our 350 years of history, our collective strength and our leadership empower us to pursue our development, by addressing the major challenges facing humanity, namely, climate change, resource protection and inclusion. We are both an international and multi-local company, fully integrated into the territories where we operate to support their vitality and help build a fairer and more sustainable, open and engaging world.

Our purpose is a call to action. Our approach is clearly focused on the future. Together with our customers, partners and all our stakeholders, it guides our action to unleash individual and collective aspirations, and enable everyone to live better in the world. It calls on us to innovate openly, with the ever-renewed ambition of better uniting humanity and nature for the common good.

Our purpose is based on values that guide us. We carry out our business in compliance with the principles of conduct and action and the humanist values that permeate our corporate culture. Listening, dialogue, care, solidarity, trust and respect for difference are central to our commitment.

This is the profound ambition of our purpose: to act every day to make the world a more beautiful and sustainable place to live.

Through its purpose, Saint-Gobain bases its development on strong values embodied in nine Principles of Conduct and Action, which constitute a true code of ethics. Formalised in 2003, translated into 33 languages, and distributed to all employees, these principles constitute an ethical reference applicable in action. They are a condition of belonging to the Group. The directors of the company have fully embraced and implemented these values as part of the foundation of our business.

General Principles of Conduct
o Professional commitment
o Respect for others
o Integrity
o Loyalty
o Solidarity

Principles of Action
o Respect for the law
o Caring for the environment
o Worker health and safety
o Employee rights

Saint-Gobain Attitudes
o Cultivate customer intimacy: Focusing on our customers
o Act as an entrepreneur: Setting ambitious goals, priorities, clear rules
o Innovate: Acquiring new knowledge, developing things together
o Be agile: Acting proactively and quickly, living digitalization
o Build and engaging culture: Being open-minded and acting respectful, also in change

A strong compliance culture
The Directors have acted in support of the continued development of the strong Saint-Gobain Compliance Culture.

Strategic Report
for the year ended 31 December 2021

SECTION 172(1) STATEMENT - continued

This is built on the following principles:

Sustainable Development - Communication with employees about the Principles of Conduct and Action and importance of Sustainable Development has continued.
Competition law compliance - The roll-out of training for colleagues on competition compliance has continued.
Corruption prevention & Compliance with economic sanctions and embargoes - Training on this has continued to be deployed to colleagues during the year with specialized external advice and training.
Internal audit and business control - Directors,have continued ensure entities understand and adhere to business control framework and formal risk management planning.
Whistleblowing system - Directors have ensured that the policy and channels, available to colleagues have been promoted across the business to ensure colleagues are aware of how to raise issues of concern.

The directors also fulfil their duty by particularly looking at the following areas:
o Employment policies
o Safety, ethics and environment
o Sustainable purchasing and payments to suppliers

KEY PERFORMANCE INDICATORS (KPI'S)
The company reviews its performance by using a number of financial and non-financial Key Performance Indicators (KPI's), the most important KPI's are detailed below:

	2021	2020
Growth in sales	2.9%	(15.2%)
Gross profit percentage	30.3%	40.1%

The key non-financial KPI's relate to safety and environmental issues as explained in more detail below.

EMPLOYMENT POLICIES
Our values are at the heart of Saint-Gobain Performance Plastics Rencol Limited's culture. These values support the Saint-Gobain Group's General Principles of Conduct and Action. In demonstration of our values, as a minimum we aim to comply at all times with relevant statutory employment requirements.

Equal opportunities
The company is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is our policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. All decisions relating to employment practices will be objective, free from bias and based solely upon work criteria and individual merit.

EMPLOYMENT POLICIES - continued

Employee involvement

We have maintained our commitment to employee involvement throughout the business and we are proud to support Saint-Gobain's promise of a career without boundaries.

Employees are kept well informed of the performance and objectives of the company and the Saint-Gobain group through a number of communication channels including global and national magazines, intranet and internal social media sites, emails and face-to-face communication between managers and their staff. All these communication channels, along with training programmes, enhance awareness of financial and economic factors affecting the company's performance and promote good communication and mutual understanding. A monthly team brief is communicated directly to staff by their managers, with opportunities for open discussion and questions. The brief includes information relating directly to the area of the business the employees work in and also information relating to the company as a whole.

We also undertake annual employee surveys, run by independent external consultants, which collate the views of employees on the way the businesses are managed and provides feedback which enables senior management to address the concerns of the employees and take into account the views of employees when making decisions which are likely to affect their interests.

All employees in the UK, with at least three months' continuous service are eligible to join the Compagnie de Saint-Gobain Employee Share Plan. This Tax-Free Plan enables employees to share in the company's growth by investing money from gross salary, and as long as the shares are held for at least five years, the savings will be free of income tax and national insurance.

SAFETY, ETHICS AND ENVIRONMENT

Health & Safety Policy Statement

To ensure that the company's safety objectives are achieved, safety management systems are employed at each operational site, and wherever appropriate in other business functions. These include a systematic identification of hazards, assessment of the risks and the development of safe systems of work to eliminate any risks to an acceptable level. An audit and inspections programme is used to monitor standards of safety management, the adherence to the Law, company standards and site procedures.

Safety results for year

We measure our safety performance by the rate of Lost Time Injuries (LTI's), Medical Treatment Cases by external medical professionals (MTC's) and First Aid Treatment Cases (FATC's). The results for the most serious cases (LTI's) for the year to 31 December 2021 were:

	2021 Number	2020 Number
TFI (No of LTI's in year/No of hours worked in year) x 1,000,000	**0.00**	0.00

Environmental & Site Risk Policy Statement

The directors of the company believe that the effective management of environmental issues is essential to the on-going success of the business. All functions contribute to the company's environmental performance; consequently, this policy applies equally throughout the company. The directors of the company recognise that they are ultimately responsible for environmental performance and compliance.

To ensure that the company's objectives are achieved, environmental management systems are employed at each operational site, and wherever appropriate in other business functions. The scope and detail of these systems must be appropriate to the risks identified during environmental and site risk assessments. Operating procedures and controls will be developed and implemented to reduce risks to an acceptable level. An audit and inspection programme is used to monitor standards of environmental and site risk management, and adherence to the law, company standards and site procedures.

To achieve our objective, each site will develop and implement an environmental improvement plan, using World Class Management tools and techniques. The plan will be regularly reviewed to ensure that continual improvement in performance is achieved and sustained.

Each employee, and others working on our sites, has a responsibility to carry out their tasks giving due regard to any environmental implications. The company will provide sufficient training, information and guidance to enable employees and others to work in accordance with this policy.

ON BEHALF OF THE BOARD:

....
M S Chaldecott - Director

Date: 29 September 2022

Report of the Directors
for the year ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of manufacture and sale of engineered products.

DIVIDENDS
Dividends paid for the year end were £1,000,000 (2020: £892,000), a payment of £1.000 per share (2020: £0.892 per share).

RESEARCH AND DEVELOPMENT
During 2021, the Company carried out research and development activities into the application of tolerance rings to new technologies and markets. Expenditure on R&D amounted to £877,000 (2020 £853,000).

DIRECTORS
M S Chaldecott has held office during the whole of the period from 1 January 2021 to the date of this report. Other changes in directors holding office are as follows:

X Pinot Perigord de Villechenon was appointed as a director after 31 December 2021 but prior to the date of this report.

V Monziols ceased to be a director after 31 December 2021 but prior to the date of this report.

POLITICAL CONTRIBUTIONS
The company made no political donations or incurred any political expenditure during the year (2020: £nil).

SUSTAINABLE PURCHASING AND PAYMENTS TO SUPPLIERS
Sustainable purchasing is the application of sustainable development principles to procurement and is a key activity in helping us to ensure that we provide for future generations of individuals and industry.

We ask that all our suppliers and sub-contractors guarantee to purchase under the local applicable legislation, and to refrain from resorting to any forced, mandatory or child labour, either directly or indirectly. In addition to this, our suppliers and sub-contractors are expected to provide their employees with the best possible conditions of health and safety, and to observe all applicable health and safety rules while visiting any of our sites.

Modern Slavery
The company continues to publish updated Modern Slavery Statements on their website in order to keep stakeholders updated on the Company's approach to Modern Slavery. The company continues to work with the charity Stronger Together in order share best practice and training materials and has focussed its efforts on training for employees on modern slavery, categories of suppliers who would be considered higher risk and supporting best practice sharing in the industry. More information is available here: https://www.saint-gobain.co.uk/news-contacts-resources/library#policyDocs

PLANNING FOR THE FUTURE
Directors continue to look to the future and use long-term trends, analysis, customer's insight and data to inform this. To support this the company has a well-developed process for managing its long range plans and to assess and develop plans to mitigate short, medium and long term risks to the company. The company's actions to continue to manage and plan for climate change impacts, adjust its organisational structure through its Transform and Grow plan are recent examples of actions taken by directors to support its long-term action plans.

STATEMENT ON CORPORATE GOVERNANCE ARRANGEMENTS
The company does not follow a public corporate governance code. This is because the company is a 100% subsidiary of Compagnie de Saint-Gobain and is therefore subject to the corporate governance code of the ultimate parent company.

The directors consider that their legal and professional obligations as directors are primarily:
o To promote the success of the company in accordance with the desires of the members, in this case Saint-Gobain Performance Plastics Europe SAS and ultimately Compagnie de Saint-Gobain.
o To act in accordance with the company's constitution and all other legal requirements
o To exercise reasonable care, skill and diligence
o To avoid conflicts of interest or personal benefits

To fulfil those duties, the directors have delegated authority to local levels, particularly to the executive committees of the business units, with a clear escalation process. Following the changes under the Transform & Grow project, the reporting lines now show a clearer escalation process to the directors and onward to the representatives of the members.

Report of the Directors
for the year ended 31 December 2021

GOING CONCERN
The company is profitable, and in a net assets position. The directors have given careful consideration to the forecasts for the 12 months following the signing of these accounts, which show continued profitability and cash generation from operations.

As a member of the Saint-Gobain UK & Ireland group of companies, together referred to as the 'UKI group', the company meets its day-to-day working capital requirements through operating cash flows, access to the group cash pooling arrangement (see note 13) and intercompany funding (see Note 13). The entity forms an integral part of the wider operation of the UKI group and as such is reliant on the continuation of the UKI group including for funding already provided and for access to the cash pool within debtors (see Note 13). In making the going concern assessment the directors have considered the cash flow forecasts for the company, and also those of the UKI group for a period of 12 months from the date of approval of these financial statements.

The directors have given careful consideration in order to include severe but plausible downside sensitivities to the base forecast cash flows for the company which indicate that the company can manage the disruption caused by the Covid 19 virus. Having performed this sensitivity analysis, the directors remain confident that sufficient funds should be available to enable the company to continue in operational existence for at least 12 months from the date of approval of these financial statements by meeting its liabilities as they fall due for payment.

Those forecasts are dependent on the continuation of the company's involvement in the UKI group cash pooling arrangement. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who held office at the date of approval of this directors' report confirm that, so far as they each are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:

M S Chaldecott

....
M S Chaldecott - Director

Date: 29 September 2022

Statement of Directors' Responsibilities
for the year ended 31 December 2021

The directors are responsible for preparing the Strategic Report, 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.

Report of the Independent Auditor to the Members of
Saint-Gobain Performance Plastics Rencol Limited

We have audited the financial statements of Saint-Gobain Performance Plastics Rencol Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud and breaches of laws and regulations - ability to detect - continued

Identifying and responding to risks of material misstatement due to fraud - continued

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited incentives, rationalisations and opportunities to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected account combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Report of the Independent Auditor to the Members of
Saint-Gobain Performance Plastics Rencol Limited

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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.

We have nothing to report in these respects.

Directors' responsibilities
As explained more fully in their statement set out on page 10, 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.

Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Date: 30 September 2022

Profit and Loss Account
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	2	11,531	11,211
Cost of sales		(8,039)	(6,717)
GROSS PROFIT		3,492	4,494
Distribution costs		(1,606)	(1,653)
Administrative expenses		(2,033)	(3,165)
		(147)	(324)
Other operating income	3	329	1,312
OPERATING PROFIT		182	988
Interest receivable and similar income	5	12	14
Interest payable and similar expenses	6	(52)	(36)
PROFIT BEFORE TAXATION	7	142	966
Tax on profit	8	36	116
PROFIT FOR THE FINANCIAL YEAR		178	1,082

The notes form part of these financial statements

**Other Comprehensive Income
for the year ended 31 December 2021**

	2021 £'000	2020 £'000
PROFIT FOR THE YEAR	178	1,082
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	178	1,082

The notes form part of these financial statements

Balance Sheet
31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Owned			
Intangible assets	10	42	12
Tangible assets	11	2,330	2,479
Right-of-use			
Tangible assets	11, 17	1,151	1,180
		3,523	3,671
CURRENT ASSETS			
Stocks	12	1,426	1,108
Debtors	13	6,487	7,772
Cash at bank		1	1
		7,914	8,881
CREDITORS			
Amounts falling due within one year	14	(3,042)	(3,183)
NET CURRENT ASSETS		4,872	5,698
TOTAL ASSETS LESS CURRENT LIABILITIES		8,395	9,369
CREDITORS			
Amounts falling due after more than one year	15	(806)	(958)
PROVISIONS FOR LIABILITIES	18	(113)	(113)
NET ASSETS		7,476	8,298
CAPITAL AND RESERVES			
Called up share capital	19	1,000	1,000
Retained earnings	20	6,476	7,298
SHAREHOLDERS' FUNDS		7,476	8,298

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

....
M S Chaldecott - Director

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	1,000	7,108	8,108
Changes in equity			
Total comprehensive income	-	1,082	1,082
Transactions with owners recorded directly in equity:			
Dividends	-	(892)	(892)
Balance at 31 December 2020	1,000	7,298	8,298
Changes in equity			
Total comprehensive income	-	178	178
Transactions with owners recorded directly in equity:			
Dividends	-	(1,000)	(1,000)
Balance at 31 December 2021	1,000	6,476	7,476

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparation
Saint-Gobain Performance Plastics Rencol Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02755773 and the registered addressed is Saint-Gobain House, East Leake, Loughborough, Leicestershire LE12 6JU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as the results of its operations are consolidated with those of its ultimate parent undertaking, Compagnie de Saint-Gobain. These financial statements present information about the company as an individual undertaking and not about its group.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

o A Cash Flow Statement and related notes;
o Disclosures in respect of transactions with wholly owned subsidiaries;
o The effects of new but not yet effective IFRSs;
o Disclosures in respect of the compensation of Key Management Personnel;
o Comparative period reconciliations for intangible assets;
o Comparative period reconciliations for tangible assets;
o Opening balance sheet restatements on adoption of a new accounting standard.

As the consolidated financial statements of Compagnie de Saint-Gobain (the company's ultimate parent company) include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

o IFRS 2 Share Based Payments in respect of group settled share based payments;
o Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets;
o Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
o Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company in the current and prior periods including the comparative period reconciliation for goodwill;
o Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

Adoption of the following standards has not caused any significant impact on the financial statements:

o Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2

This introduced a practical expedient in IFRS 9 to update the effective interest rate instead of recognising a gain or loss when a modification of a financial contract occurs as a result of the IBOR reform, a similar practical expedient will apply for IFRS 16, and for companies applying IAS 39. The amendments to IFRS 7 requires additional disclosures about the nature and exposure to risks from the interest rate benchmark reform, how they manage such risks and the progress to transition to alternative benchmark rates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements are discussed in note 25.

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

1. **ACCOUNTING POLICIES - continued**

Measurement convention
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale and in the case of plant, machinery and equipment at deemed cost.

Going concern
The company is profitable, and in a net assets position. The directors have given careful consideration to the forecasts for the 12 months following the signing of these accounts, which show continued profitability and cash generation from operations.

As a member of the Saint-Gobain UK & Ireland group of companies, together referred to as the 'UKI group', the company meets its day-to-day working capital requirements through operating cash flows, access to the group cash pooling arrangement (see note 13) and intercompany funding (see Note 13). The entity forms an integral part of the wider operation of the UKI group and as such is reliant on the continuation of the UKI group including for funding already provided and for access to the cash pool within debtors (see Note 13). In making the going concern assessment the directors have considered the cash flow forecasts for the company, and also those of the UKI group for a period of 12 months from the date of approval of these financial statements.

The directors have given careful consideration in order to include severe but plausible downside sensitivities to the base forecast cash flows for the company which indicate that the company can manage the disruption caused by the Covid 19 virus. Having performed this sensitivity analysis, the directors remain confident that sufficient funds should be available to enable the company to continue in operational existence for at least 12 months from the date of approval of these financial statements by meeting its liabilities as they fall due for payment.

Those forecasts are dependent on the continuation of the company's involvement in the UKI group cash pooling arrangement. 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.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Sales of goods are recognised when goods are delivered and title has passed.

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

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.
Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Short leasehold land and buildings - over the term of the lease
- Plant and equipment - 3 to 10 years

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

1. ACCOUNTING POLICIES - continued

Intangible assets
Research and development
Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred.

Computer software
Software acquired by the company is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation
Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

o Computer software 3 years

Impairment of non-financial assets excluding stocks and deferred tax assets
The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments
(i) Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement
Financial assets and financial liabilities
Debtors and creditors, excluding derivative instruments and leases, are measured at amortised cost. These assets and liabilities are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Derivative financial instruments and hedging
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The company uses forward foreign exchange contracts to mitigate exchange risk exposure arising from forecast sales in Euros and US dollars. These contracts are considered by management to be part of economic hedge arrangement, but have not been formally designated as cash flow hedging instruments.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

1. **ACCOUNTING POLICIES - continued**

(iv) Impairment
The company recognises loss allowances for expected credit losses (ECLs) and contract assets (as defined in IFRS 15). Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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, in which case it is recognised in equity.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Foreign currencies
Transactions in foreign currencies are translated to the company's functional currencies 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 retranslated to the functional currency at the foreign exchange rate ruling 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 rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1. ACCOUNTING POLICIES - continued

Leases

IFRS 16, "Leases" eliminates the distinction between operating leases and finance leases that existed under IAS 17, introduces a single lessee accounting model and requires lessees to account for virtually all leases on their balance sheet by recognising:

- an asset representing the right to use the leased asset over the lease term ("right-of-use asset");
- a liability representing the obligation to make lease payments ("lease liability");
- an equity impact net of deferred taxes.

In the income statement, rental expense is replaced by:

- depreciation of the right-of-use asset; and
- interest on the lease liability.

The company has applied IFRS 16 using the full retrospective method at January 1, 2019 (i.e., with effect from January 1, 2018) and restated all of its leases that were identified ahead of first-time application of the standard.

The following recognition exemptions proposed by IFRS 16 have been used by the company:

- leases with a lease term of 12 months or less;
- leases where the underlying asset has a value of less than US$ 5,000 when new.

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The useful life of non-movable leasehold improvements cannot exceed the useful life of the right-of-use assets to which they relate.

The lease term corresponds to the non-cancellable period of the lease, plus any renewal (or termination) options that the company is reasonably certain to exercise (or not to exercise). The company determined whether or not lease renewal (or termination) options were reasonably certain to be exercised based on various criteria including location, criticality, ease of replacement and existence of leasehold improvements.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. In most cases, especially for the leases restated on implementation of the standard, the company's incremental borrowing rate has been used.

1. ACCOUNTING POLICIES - continued

Employee benefit costs

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account as incurred.

Share-based payments

Saint-Gobain operates stock option and performance share plans which are decided by the Board of Directors of Compagnie de Saint-Gobain, the ultimate holding company. Full details of these share based payments can be found in the annual report of Compagnie de Saint-Gobain.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options.

The Saint-Gobain Group also offers opportunities for employees to purchase shares through a monthly tax-free plan and an annual discounted purchase plan. The impact of these schemes is not material to the company in 2021.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable and finance expense on lease liabilities are recognised in profit or loss using the effective interest method.

Other interest receivable and similar income includes interest receivable on funds invested.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1. ACCOUNTING POLICIES - continued

Other Operating Income
In response to the COVID-19 coronavirus pandemic, in March 2020 the government of the UK introduced a wage subsidy programme for companies that had to shut their operations and furlough staff. Under the programme, an eligible company could apply for the subsidy in an amount of up to 80% of each employee's salary, subject to a maximum of £2,500 per employee, to continue paying monthly salaries to its furloughed employees. The company was entitled to the wage subsidy on a monthly basis conditional on the employees continuing to be on furlough and the company continuing paying their salary. The company benefited from the programme from March to December 2020. The company received a wage subsidy of £852,000 in total under this programme, which has been accounted for as other operating income.

During 2021, the company did not make use of the job retention scheme.

2. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	164	185
Europe	2,751	3,029
North America	1,510	984
Far East and rest of the world	7,106	7,013
	11,531	11,211

3. OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Job retention scheme	-	852
Royalties and licencing fees	329	460
	329	1,312

4. EMPLOYEES AND DIRECTORS

	2021 £'000	2020 £'000
Wages and salaries	5,454	5,154
Social security costs	431	441
Other pension costs	218	244
	6,103	5,839

Notes to the Financial Statements - continued
for the year ended 31 December 2021

4. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Directors	2	2
Production	95	95
Sales and marketing	15	15
Research and development	8	7
Administration	12	11
	132	130

	2021	2020
	£	£
Directors' remuneration	-	-

The directors of the company are also directors of several other companies within the Saint-Gobain Group, and their emoluments are borne by these other companies. They do not consider that their duties in respect of the company take up a significant proportion of their time, and no director receives any emoluments from the company, nor are they members of any pension scheme in which the company has an interest. Accordingly, the directors do not believe that they have received remuneration for their incidental services to the company for the years ended 31 December 2021 or 31 December 2020.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest income from loans to group undertakings	12	13
Other interest receivable	-	1
	12	14

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Leasing	34	36
Bank interest	18	-
	52	36

7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2021	2020
	£'000	£'000
Cost of inventories recognised as expense	8,039	6,717
Depreciation - owned assets	517	622
Depreciation - assets on hire purchase contracts or finance leases	325	314
Computer software amortisation	4	4
Auditors remuneration	6	30
Research and development expensed as incurred	877	853
Foreign exchange difference	34	99
Government support for Covid-19	-	852

During the year the company received £nil (2020: £852,000) in support from the UK government in respect of Coronavirus (Covid-19). This was mainly due to the job retention scheme whilst employees were unable to work.

8. TAXATION

Analysis of tax income

	2021	2020
	£'000	£'000
Current tax:		
Current tax - current year	(111)	68
Current tax - prior years	69	(159)
Total current tax	(42)	(91)
Deferred tax:		
Deferred tax - current year	53	(14)
Deferred tax - prior years	3	-
Deferred tax - effect of rate change	(50)	(11)
Total deferred tax	6	(25)
Total tax income in profit and loss account	(36)	(116)

Factors affecting the tax income

	2021	2020
	£'000	£'000
Profit before income tax	142	966
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	27	184
Effects of:		
Non deductible expenses	(85)	(130)
Adjustments in respect of prior periods	72	(159)
Deferred tax rate change	(50)	(11)
Tax income	(36)	(116)

Factors affecting future tax charges
An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 December 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

9. DIVIDENDS

	2021	2020
	£'000	£'000
Ordinary shares of £1 each		
Interim	1,000	892

A dividend of £1,000,000 (£1.00 per share) was paid to Saint-Gobain Performance Plastics Europe SAS on 25 May 2021. A dividend of £892,000 (£0.892 per share) was paid to Saint Gobain Performance Plastics Europe SAS in the prior year.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

10. INTANGIBLE FIXED ASSETS

	Computer software £'000
COST	
At 1 January 2021	184
Additions	40
Disposals	(6)
At 31 December 2021	218
AMORTISATION	
At 1 January 2021	172
Amortisation for year	4
At 31 December 2021	176
NET BOOK VALUE	
At 31 December 2021	42
At 31 December 2020	12

11. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Totals £'000
COST			
At 1 January 2021	2,107	7,865	9,972
Additions	103	563	666
Disposals	-	(14)	(14)
At 31 December 2021	2,210	8,414	10,624
DEPRECIATION			
At 1 January 2021	734	5,579	6,313
Charge for year	311	531	842
Eliminated on disposal	-	(12)	(12)
At 31 December 2021	1,045	6,098	7,143
NET BOOK VALUE			
At 31 December 2021	1,165	2,316	3,481
At 31 December 2020	1,373	2,286	3,659

11. TANGIBLE FIXED ASSETS - continued

	Land and Buildings £'000	Plant and Equipment £'000	Total £'000
SPLIT OF NET BOOK VALUE			
Owned	186	2,144	2,330
Leased (see note 17)	979	172	1,151
	1,165	2,316	3,481

LAND AND BUILDING SPLIT

	2021 £'000	2020 £'000
Freehold	186	222
Short leasehold	979	1,151
	1,165	1,373

12. STOCKS

	2021 £'000	2020 £'000
Raw materials	260	166
Work-in-progress	93	232
Finished goods	1,073	710
	1,426	1,108

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to £1,874,000 (2020: £1,949,000). The write down of inventories to net realisable value included in the cost of sales amounted to £nil (2020: £nil).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade accounts receivable	778	1,529
Intra group cash pooling balances	710	974
Non trade debtors owed by group undertakings	3,997	4,220
Corporation tax	428	531
Deferred tax asset	150	156
Prepayments and accrued income	424	362
	6,487	7,772

Cash pooling balances are repayable on demand and interest is credited at a variable arms-length value.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Leases (see note 16)	381	246
Trade creditors	2,545	2,773
Amounts owed to group undertakings	116	164
	3,042	3,183

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Leases (see note 16)	806	958

16. FINANCIAL LIABILITIES - BORROWINGS

	2021	2020
	£'000	£'000
Current:		
Leases (see note 17)	381	246
Non-current:		
Leases (see note 17)	806	958

Terms and debt repayment schedule

	1 year or less	2-5 years	More than 5 years	Totals
	£'000	£'000	£'000	£'000
Leases	381	763	43	1,187

Notes to the Financial Statements - continued
for the year ended 31 December 2021

17. LEASING

Right-of-use assets

Tangible fixed assets

	2021 £'000	2020 £'000
COST		
At 1 January 2021	1,494	1,474
Additions	298	20
Disposals	(14)	-
	1,778	1,494
DEPRECIATION		
At 1 January 2021	314	-
Charge for year	325	314
Eliminated on disposal	(12)	-
	627	314
NET BOOK VALUE	1,151	1,180

Lease liabilities

Minimum lease payments fall due as follows:

	2021 £'000	2020 £'000
Gross obligations repayable:		
Within one year	413	246
Between one and five years	856	958
In more than five years	58	-
	1,327	1,204
Finance charges repayable:		
Within one year	32	-
Between one and five years	93	-
In more than five years	15	-
	140	-
Net obligations repayable:		
Within one year	381	246
Between one and five years	763	958
In more than five years	43	-
	1,187	1,204

18. PROVISIONS FOR LIABILITIES

	2021	2020
	£'000	£'000
Other provisions	113	113

	Deferred tax	Property Provision
	£'000	£'000
Balance at 1 January 2021	(156)	113
Recognised in profit and loss account	6	-
Balance at 31 December 2021	(150)	113

Movements in provisions during the year were as follows:

	Property provision
	£'000
At 1 January 2021	113
Reduction made in the year	-
At 31 December 2021	113

This provision is for the reinstatement of the company's leasehold property at the end of the lease period in May 2025.

Deferred tax assets of the company are attributable to the following:

	Assets		Liabilities		Net	
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	139	145	-	-	139	145
Provisions	11	11	-	-	11	11
	150	156	-	-	150	156

Movements in deferred tax in the year:

	1 January 2021	Recognised in profit and loss	31 December 2021
	£'000	£'000	£'000
Tangible fixed assets	145	(6)	139
Provisions	11	-	11
	156	(6)	150

18. **PROVISIONS FOR LIABILITIES - continued**

Movements in deferred tax during the prior year:

	1 January 2020 £'000	Recognised in profit and loss £'000	31 December 2020 £'000
Tangible fixed assets	120	25	145
Provisions	11	-	11
	131	25	156

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
1,000,000	Ordinary Shares	£1	1,000	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

20. **RESERVES**

	Retained earnings £'000
At 1 January 2021	7,298
Profit for the year	178
Dividends	(1,000)
At 31 December 2021	6,476

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

21. EMPLOYEE BENEFITS

Staff pension scheme

The company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £218,000 (2020: £244,000).

Share-based payments

Compagnie de Saint-Gobain has stock option and performance share plans available to certain employees of Saint-Gobain Performance Plastics Rencol Limited. Under the stock option plans, the Board of Directors of Compagnie de Saint-Gobain may grant options which entitle the holder to obtain Saint-Gobain shares either at nil cost or at a price based on the average share price for the 20 trading days preceding the grant date. Options are equity settled and vest over a period of three to four years with full vesting occurring at the end of the vesting period. Options must be exercised within ten years from the date of the grant.

The performance share plans are subject to service and performance conditions. The fair value is based on the Saint-Gobain share price on the grant date less the value of dividends not payable during the vesting period and a discount on restricted stock, calculated in a similar manner as for the group savings plan.

All rights to options and performance share are forfeited if the employee terminates employment with the group, unless expressly agreed otherwise by the chairman of Compagnie de Saint-Gobain together with the appointments committee of the Board of Directors.

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Compagnie de Saint-Gobain, which is incorporated in France and listed on the Paris, London, Frankfurt and other major European stock exchanges.

The largest group in which the results of the company are consolidated is that headed by Compagnie de Saint-Gobain, incorporated in France. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards. No other group financial statements include the results of the company.

Copies of the Compagnie de Saint-Gobain Group financial statements may be obtained from the Corporate Secretary at the company's address, Tour Saint-Gobain, 12 Place de l'Iris, 92400 Courbevoie, France.

23. CAPITAL COMMITMENTS

The value of non-current assets that the company had committed to purchase as at 31 December 2021 was £nil (2020: £13,000).

24. RELATED PARTY

Identity of related parties with which the company has transacted

The company receives sales commissions, management and technology fees from Rencol MMI Technology PTE Ltd (RMT), a company based in Singapore. RMT is a joint venture between Saint-Gobain Performance Plastics Europe SAS and MMI Technology PTE Ltd.

	Income from		Receivables outstanding	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Other related parties	**409**	622	**34**	135

25. JUDGEMENTS AND ESTIMATES

The amounts due to and from other group companies are reviewed at each balance sheet date. In testing for impairment, management have reviewed the underlying credit-worthiness of each company and are satisfied that, if agreed at group level, all balances could be repaid on demand.