

Registered number: 05743422

Nenplas Limited

Directors' report and financial statements

For the Year Ended 31 December 2020

DAINS
ACCOUNTANTS



Nenplas Limited

Company Information

Directors	G Horrobin S Jones
Registered number	05743422
Registered office	Airfield Industrial Estate Blenheim Road Ashbourne Derbyshire DE6 1HA
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Nenplas Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Independent auditors' report	6 - 9
Profit and loss account	10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14 - 32

Nenplas Limited

Strategic Report For the Year Ended 31 December 2020

Business review

The principal activity of the company continued to be that of the manufacture and distribution of extruded plastic products.

The directors are pleased with the performance of the business, delivering an operating profit of £2.30m for the year (2019 - £2.57m) on turnover of £14.8m (2019 - £14.6m), a 15.5% return on sales (2019 - 17.6%).

The business continued to invest in people, key business assets (tooling and other) and research and development during the period.

The business continues to satisfy all major customers in the retail, leisure, industrial, building, shop-fitting and DIY sectors.

Principal risks and uncertainties

The key financial risk facing the business is credit risk, which is continually monitored by the board. Credit risk is managed by the continual monitoring of credit terms extended to customers so that the company's exposure to bad debts is minimised.

The company continues to offset the risk of competitive pressure through continual improvement in its customer focused activities, supplying a good quality, market priced product on time. It strives to reduce cost by identifying non-added value processes whilst continually pushing to exceed customer expectations.

Key performance indicators

The company supplies a number of diverse markets and continually monitors its internal and external activities using Key Performance Indicators, such as sales, gross profit and operating profit, which are monitored by the board of directors as often as is considered necessary. The board continually reviews the company balance sheet including all assets and liabilities and is confident that the company's funding structure is appropriate for both its current position and future growth.

Directors' statement of compliance with duty to promote the success of the Company

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarized as follows:

"A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and in doing so, have regard to the likely consequences of any decisions in the long term on; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders and the company".

Details of how the directors have fulfilled these duties when dealing with strategic decisions are covered in the Strategic and Directors' Reports.

Nenplas Limited

Strategic Report (continued)
For the Year Ended 31 December 2020

This report was approved by the board on 12 April 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'G Horrobin', written in a cursive style.

G Horrobin
Director

**Directors' Report
For the Year Ended 31 December 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £2,994,000 (2019 -£3,315,000).

During the year dividends of £3,313,000 (2019 - £Nil) have been declared. The directors do not propose payment of a final dividend (2019 - £Nil).

Directors

The directors who served during the year were:

G Horrobin
S Jones

Statement of directors' responsibilities in respect of the financial statements

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

In the wake of the impact of the Covid-19 pandemic and the UK government's decision to implement lockdowns, the directors have taken appropriate action with the company continuing to trade. The directors are confident that the company will still be profitable in the forthcoming 12 months and beyond, although at present the full impact of the virus cannot be predicted with any certainty. Attention in the short to medium term has been on managing cashflow and working capital in general with the directors of the opinion that the company can continue to operate within its current and future financial parameters and so continue to meet its debts as they fall due.

The company's longer term strategy for beyond 2020 is to maintain its market share and profitability and ultimately, to achieve some growth. The directors have continued to put measures in place to try and expand the markets in which the company operates in order to achieve this. As such, the directors believe the company to be a going concern and have adopted this assumption in preparing the financial statements.

Engagement with suppliers, customers and others

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

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

Details of principal risks and uncertainties are contained within the Strategic Report.

Disclosure of information to auditors

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

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

Post balance sheet events

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

Nenplas Limited

Directors' Report (continued)
For the Year Ended 31 December 2020

Auditors

During the year, PricewaterhouseCoopers LLP resigned as auditors to the company and Dains LLP were appointed to fill the resulting vacancy. Dains LLP have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 April 2021 and signed on its behalf.



G Horrobin
Director

Independent auditors' report to the members of Nenplas Limited

Opinion

We have audited the financial statements of Nenplas Limited (the 'Company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditors' report to the members of Nenplas Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Nenplas Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

Other matters

The financial statements for the year ended 31 December 2019 were audited by PricewaterhouseCoopers LLP, who expressed an unmodified opinion on those statements on 15 September 2020.

Nenplas Limited

Independent auditors' report to the members of Nenplas Limited (continued)

Use of our report

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



Mark Hargate FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor

Chartered Accountants

Birmingham

12 April 2021

Nenplas Limited**Profit and Loss Account
For the Year Ended 31 December 2020**

	Note	2020 £000	2019 £000
Turnover	4	14,788	14,636
Cost of sales		(10,583)	(9,424)
Gross profit		4,205	5,212
Distribution costs		(1,033)	(865)
Administrative expenses		(1,457)	(1,872)
Other operating income	5	582	99
Operating profit	6	2,297	2,574
Income from shares in group undertakings	10	1,183	1,214
Interest receivable and similar income	11	17	5
Profit before tax		3,497	3,793
Tax on profit	12	(503)	(478)
Profit for the financial year		2,994	3,315

The notes on pages 14 to 32 form part of these financial statements.

Nenplas Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2020**

	2020	2019
	£000	£000
Profit for the financial year	2,994	3,315
Total comprehensive income for the year	2,994	3,315

The notes on pages 14 to 32 form part of these financial statements.

Balance Sheet
As at 31 December 2020

	Note	2020 £000	As restated 2019 £000
Fixed assets			
Intangible assets	14	84	70
Tangible assets	15	7,625	6,844
Investments	16	1,943	1,943
		<u>9,652</u>	<u>8,857</u>
Current assets			
Stocks	17	1,557	1,799
Debtors: amounts falling due within one year	18	4,829	4,216
Cash at bank and in hand	19	1,200	1,184
		<u>7,586</u>	<u>7,199</u>
Creditors: amounts falling due within one year	20	(3,832)	(2,578)
Net current assets		<u>3,754</u>	<u>4,621</u>
Total assets less current liabilities		<u>13,406</u>	<u>13,478</u>
Provisions for liabilities			
Deferred tax	21	(711)	(464)
		<u>(711)</u>	<u>(464)</u>
Net assets		<u><u>12,695</u></u>	<u><u>13,014</u></u>
Capital and reserves			
Called up share capital	22	143	143
Share premium account	23	388	388
Profit and loss account	23	12,164	12,483
		<u><u>12,695</u></u>	<u><u>13,014</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2021.



G Horrobin
Director

The notes on pages 14 to 32 form part of these financial statements.

Nenplas Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	143	388	9,168	9,699
Profit for the financial year	-	-	3,315	3,315
At 31 December 2019	143	388	12,483	13,014
Profit for the financial year	-	-	2,994	2,994
Dividends: Equity capital	-	-	(3,313)	(3,313)
At 31 December 2020	143	388	12,164	12,695

The notes on pages 14 to 32 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. General information

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

The principal activity of the company is the manufacture and distribution of extruded and fabricated plastic products.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

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

This information is included in the consolidated financial statements of Surteco Group SE as at 31 December 2020 and these financial statements may be obtained from Johan-Viktor-Bausch-Str. 2, D-86647, Buttenwiesen-Pfaffenhofen, Germany.

2.3 Going concern

The directors have prepared Covid adjusted forecasts, taking account of the ongoing pandemic, and the directors are satisfied that the company remains profitable and cash generative throughout the forecast period. In addition, the directors have confirmed that they have the ongoing support of the ultimate parent. The directors are confident that the company will still be profitable in the forthcoming 12 months and beyond, although at present the full impact of the virus cannot be predicted with any certainty. The directors are satisfied that the company can continue to meet its debts as they fall due and therefore that the financial statements are prepared on a going concern basis.

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

2.5 Other operating income

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

2.6 Government grants

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

2.7 Interest income

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

2.8 Intangible assets

Goodwill

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

Development expenditure

Internal development costs are initially recognised at cost. After recognition, under the cost model, development costs are measured at cost less any accumulated amortisation and any accumulated impairment losses. Development costs are amortised on a straight line basis to the Profit and Loss Account over a period of 8 years.

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Freehold buildings	- 40 years straight line
Plant and machinery	- 13 - 20 years straight line
Office equipment	- 3 - 13 years straight line
Tooling	- 8 years straight line

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

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

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Stocks

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

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

2.12 Debtors

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

2.13 Cash and cash equivalents

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

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price.

2.15 Financial instruments

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

2.16 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Operating leases: the Company as lessee

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

2.19 Research and development costs

Research and development expenditure is written off in the year in which it is incurred.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.20 Current and deferred taxation

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

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

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

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

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

2.21 Dividends

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

2.22 Restatement of comparatives

Certain costs relating to the development of tooling previously categorised as tangible fixed assets have now been reclassified as intangible fixed assets as the directors believe this classification more accurately reflects the nature of these costs.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

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

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

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

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

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

4. Turnover

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

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	14,028	13,801
Rest of Europe	757	816
Rest of the world	3	19
	<u>14,788</u>	<u>14,636</u>

Nenplas Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

5. Other operating income

	2020 £000	2019 £000
Research and Development Expenditure Credit	91	99
Government grants receivable	491	-
	<u>582</u>	<u>99</u>

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

The Company furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £490,987 relates to claims made in respect of the year.

6. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	510	464
Amortisation of intangible assets, including goodwill	75	13
Exchange differences	(7)	14
Other operating lease rentals	141	60
Defined contribution pension cost	109	119
Research and development charged as an expense	711	829

7. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17</u>	<u>19</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	3	-
Other services relating to taxation	8	-
All other services	4	-
	<u>15</u>	<u>-</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

8. Employees

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

	2020 £000	2019 £000
Wages and salaries	4,381	4,052
Social security costs	400	374
Other pension costs	109	119
	<u>4,890</u>	<u>4,545</u>

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

	2020 No.	2019 No.
Production	92	92
Selling and distribution	13	13
Administration	8	6
Management	3	3
	<u>116</u>	<u>114</u>

9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	466	574
Company contributions to defined contribution pension schemes	7	28
	<u>473</u>	<u>602</u>

During the year retirement benefits were accruing to 2 directors (2019 -4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £259,000 (2019 -£171,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2019 -£6,000).

Nenplas Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

10. Income from shares in group undertakings

	2020 £000	2019 £000
Dividend received from Polyplas Extrusions Limited	1,183	1,214

11. Other interest receivable and similar income

	2020 £000	2019 £000
Interest receivable from group companies	17	5

12. Tax on profit

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	256	334
Total current tax	256	334
Deferred tax		
Origination and reversal of timing differences	193	144
Effect of tax rate change on opening balances	54	-
Total deferred tax	247	144
Taxation on profit on ordinary activities	503	478

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

12. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 -lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	3,497	3,793
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	664	721
Effects of:		
Expenses not deductible for tax purposes	1	1
Non-taxable income	(225)	(231)
Chargeable gains	3	1
Other differences leading to an increase/(decrease) in the tax charge	11	(4)
Group relief claimed	(5)	(10)
Remeasurement of deferred tax for changes in tax rates	54	-
Total tax charge for the year	503	478

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2020 £000	2019 £000
Dividends paid (£0.1988 (2019 - £Nil) per A and B ordinary share)	3,313	-

Notes to the Financial Statements
For the Year Ended 31 December 2020

14. Intangible assets

	Development expenditure £000	Goodwill £000	Total £000
Cost			
At 1 January 2020 (as previously stated)	-	466	466
Prior Year Adjustment	410	-	410
At 1 January 2020 (as restated)	410	466	876
Additions - internal	89	-	89
At 31 December 2020	499	466	965
Amortisation			
At 1 January 2020 (as previously stated)	-	465	465
Prior Year Adjustment	341	-	341
At 1 January 2020 (as restated)	341	465	806
Charge for the year on owned assets	74	1	75
At 31 December 2020	415	466	881
Net book value			
At 31 December 2020	84	-	84
At 31 December 2019 (as restated)	69	1	70

Notes to the Financial Statements
For the Year Ended 31 December 2020

15. Tangible fixed assets

	Freehold land and buildings £000	Leasehold improvements £000	Plant and machinery and tooling £000	Office equipment £000	Total £000
Cost or valuation					
At 1 January 2020 (as previously stated)	2,500	669	13,267	1,183	17,619
Prior Year Adjustment	-	-	(410)	-	(410)
At 1 January 2020 (as restated)	2,500	669	12,857	1,183	17,209
Additions	17	24	1,314	21	1,376
Disposals	-	-	(90)	-	(90)
Transfers between classes	669	(669)	-	-	-
At 31 December 2020	3,186	24	14,081	1,204	18,495
Depreciation					
At 1 January 2020 (as previously stated)	-	122	9,466	1,118	10,706
Prior Year Adjustment	-	-	(341)	-	(341)
At 1 January 2020 (as restated)	-	122	9,125	1,118	10,365
Charge for the year on owned assets	53	-	421	36	510
Disposals	-	-	(5)	-	(5)
Transfers between classes	122	(122)	-	-	-
At 31 December 2020	175	-	9,541	1,154	10,870
Net book value					
At 31 December 2020	3,011	24	4,540	50	7,625
At 31 December 2019 (as restated)	2,500	547	3,732	65	6,844

Included within land and buildings is freehold land of £993,589 (2019 - £993,589) not depreciated.

Notes to the Financial Statements
For the Year Ended 31 December 2020

16. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	1,943
At 31 December 2020	<u>1,943</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Polyplas Extrusions Limited	Airfield Industrial Estate, Blenheim Road, Ashbourne, Derbyshire, DE6 1HA	Manufacturing plastic extrusions	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	Profit £000
Polyplas Extrusions Limited	4,201	902

17. Stocks

	2020 £000	2019 £000
Raw materials and consumables	1,027	1,257
Finished goods and goods for resale	530	542
	<u>1,557</u>	<u>1,799</u>

There is no material difference between the carrying value of inventories and replacement costs. The provision against slow moving stock and obsolete stock at 31 December 2020 is £51,000 (2019 - £41,000).

Nenplas Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

18. Debtors

	2020	2019
	£000	£000
Trade debtors	3,298	2,478
Amounts owed by group undertakings	1,141	1,470
Other debtors	185	-
Prepayments and accrued income	205	268
	4,829	4,216

19. Cash at bank and in hand

	2020	2019
	£000	£000
Cash at bank and in hand	1,200	1,184

20. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	2,235	1,688
Corporation tax	-	76
Other taxation and social security	1,023	430
Other creditors	110	88
Accruals and deferred income	464	296
	3,832	2,578

Nenplas Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Deferred taxation

	2020 £000
At beginning of year	464
Charged to profit or loss	247
At end of year	711

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	701	457
Capital gains	12	8
Short term timing differences	(2)	(1)
	711	464

Notes to the Financial Statements
For the Year Ended 31 December 2020

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
10,000,000 (2019 - 10,000,000) A Ordinary shares of £0.010 each	100,000	100,000
6,666,667 (2019 - 6,666,667) B Ordinary shares of £0.001 each	6,667	6,667
18,109,367 (2019 - 18,109,367) C Ordinary shares of £0.001 each	18,109	18,109
1,515,151 (2019 - 1,515,151) Deferred shares of £0.001 each	1,515	1,515
1,674,000 (2019 - 1,674,000) E Ordinary shares of £0.010 each	16,740	16,740
	143,031	143,031

The 'A' and 'B' shares have the following rights

- One vote per share
- Capital equally split after receiving issue price back, subject to the ratchet
- Rights to proceed on sale are on the same basis as capital, after the returns to the holders of the 'C' ordinary shares
- Rights to dividends on the same basis as capital
- No redemption rights

The deferred shares have the following rights

- No voting rights
- Share equally in dividends once the holders of the 'A' and 'B' ordinary shares have received £1,000,000 per share of dividends
- Rights to proceed on sale are as per the dividend rights, to a maximum of £1 per share
- No redemption rights

The 'C' shares have the following rights

- No voting rights
- Rights to capital are to receive back the issue price once the 'A' and 'B' ordinary shareholders have received £1,000,000 per share then a further £1 per share
- The right on sale is the 'C' share value, as defined within the Articles of Association of the company, in priority to other payments
- Share equally in dividends with 'A' and 'B' ordinary shares once the 'A' and 'B' ordinary shares have received £1,000,000 per share
- No redemption rights

The 'E' ordinary shares have the following rights

- One vote per share
- Share equally in dividends with the 'A' and 'B' ordinary shares, once the 'A' and 'B' ordinary shares have received £1,000,000 per share
- Rights to capital are to receive back the issue price once the 'A' and 'B' ordinary shareholders have received £1,000,000 per share then a further £1 per share
- No redemption rights

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

23. Reserves

Share premium account

The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

Profit and loss account

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

24. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	<u>75</u>	<u>-</u>

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The pension cost charge represents contributions payable by the company to the fund and amounted to £109,248 (2019 - £119,338). Contributions totalling £23,511 (2019 - £20,949) were payable to the fund at the balance sheet date and are included within creditors.

Notes to the Financial Statements
For the Year Ended 31 December 2020

26. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Land and buildings		
Not later than 1 year	63	-
Later than 1 year and not later than 5 years	79	-
	<u>142</u>	<u>-</u>
	2020 £000	2019 £000
Other		
Not later than 1 year	114	72
Later than 1 year and not later than 5 years	260	78
	<u>374</u>	<u>150</u>

27. Related party transactions

During the year the company made purchases of goods of £192,639 (2019 - £125,000) from Polyplas Extrusions Limited, a subsidiary company. At the balance sheet date £Nil (2019 - £Nil) was owed to Polyplas Extrusions Limited. Also during the year the company made sales of £214,884 (2019 - £202,262) to Polyplas Extrusions Limited.

During the year the company made sales of £30,468 (2019 - £28,755) to Surteco UK Limited. At the balance sheet date, £8,499 was owed by Surteco UK Limited (2019 - £180 was owed to Surteco UK Limited).

During the year the company made sales of £142,982 (2019 - £149,353) to Döllken Profiles GmbH, a subsidiary of Surteco Group SE. Also in the year the company made purchases of £67,037 (2019 - £43,230) from Döllken Profiles GmbH. At the balance sheet date, £4,094 (2019 - £Nil) was owed by Döllken Profiles GmbH.

During the year the company made sales of £12,567 (2019 - £714) to Döllken Sp. z.o.o., a subsidiary of Surteco Group SE. At the balance sheet date, £Nil (2019 - £716) was owed by Döllken Sp. z.o.o..

At the balance sheet date, £1,128,468 was owed by Surteco Group SE (2019 - £1,469,346). Interest is charged on the loan at LIBOR + 1% per annum. During the year, interest of £17,354 (2019 - £5,298) was charged to Surteco Group SE.

28. Controlling party

The immediate parent company undertaking is Nenplas Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Surteco Group SE, a company registered in Germany.

The smallest and largest group in which the company's results are consolidated is that headed by Surteco Group SE, a company registered in Germany. The registered address of Surteco Group SE, from which copies of the consolidated financial statements can be obtained, is: Johan-Viktor-Bausch-Str 2, D-86647, Bittenwiesen-Pfaffenhofen, Germany.