Vita Industrial (Poland) Limited

Annual report and financial statements

for the year ended 31 December 2016

Registered number 08803782

Vita Industrial (Poland) Limited
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for the year ended 31 December 2016

Contents

Vita Industrial (Poland) Limited

Directors and advisors for the year ended 31 December 2016

Directors
Mr J Cheele
Mr D O'Riordan
Mr D Clarke

Secretary
Vita Industrial (UK) Limited

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Registered office
Oldham Road
Middleton
Manchester
M24 2DB

Registered number

08803782

Vita Industrial (Poland) Limited

Strategic report for the year ended 31 December 2016

The directors present their Strategic report on the Company for the year ended 31 December 2016.

Principal activities
The principal activity of the Company during the year was as an inter-group financing company.

Business review
Results for the financial year ended 31 December 2016 were in line with expectations. The profit for the financial year was £4,334,647 (2015: £50,476). At the year ended 31 December 2016 the Company had net assets of £27,906,560 (2015: £23,571,913).

Environment
The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with Group (Vita (Lux III) S.àr.l. and its subsidiary companies) policies.

Principal risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to a number of risks.

Competitive pressure in the trading subsidiary undertakings, both within the UK and overseas, is a continuing risk for the Group. The Group manages this risk by providing value added services to its customers, having fast response times not only in supplying products but in handling all customer queries and by maintaining strong relationships with customers.

Financial risk management
The Group, of which the Company is a member, through its treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage surplus cash. The treasury department operates within parameters approved and monitored by the Group Board of Directors and restricts transactions to banks that have a defined minimum credit rating.

The treasury department does not take speculative financial positions and makes limited use of derivative financial instruments. The treasury department advises operational management on all financial risks and executes all major transactions in financial instruments. In the UK, the treasury department arranges all foreign currency forward contracts to hedge transactional exposures and ensures exposures are fully hedged as they arise and, where appropriate, hedges future exposures up to six months forward. In addition, the treasury department manages borrowings. The Company had no foreign currency forward contracts at the year end (2015: none).

The Company seeks to reduce credit risk through the use of credit insurance and pro-active credit control procedures.

Key Performance Indicators ("KPIs")
The Company produces monthly reporting packs containing its financial results and these are consolidated into the total numbers for submission to the Group for review. The Key Performance Indicators on which the Group focuses are:

- Margin (MOP = Margin over polymer)
- EBITDA
- Working Capital
- Operating Cash Flow

The four KPIs are measured in absolute terms and, in addition, working capital is also measured on days sales outstanding, days purchases outstanding and days inventory in hand. The Group has confirmed through its reviews that the KPIs have been running at a level consistent with expectations and have satisfied the Group's relevant banking covenants.

On behalf of the Board

David O'Riordan

Mr D O'Riordan
Director
2 May 2017

Vita Industrial (Poland) Limited

Directors' report for the year ended 31 December 2016

The directors present their report and audited financial statements of the Company for the year ended 31 December 2016.

Political and charitable contributions
No political or charitable donations were made by the Company during the current or prior year.

Future developments
The Company will continue to operate as an inter-group financing company, with the current level of activity expected to be maintained.

Dividends
The directors have not paid and do not propose a dividend in respect of the year ended 31 December 2016 (2015: £nil).

Going concern
The directors have assessed the Company's going concern status using all available information and considered the foreseeable future. Following this assessment the directors conclude that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern.

Directors
The directors who held office during the year and up to the date of signing the financial statements were as follows:

Mr G L Maundrell (resigned 3 June 2016)
Mr J D Meltham (resigned 3 June 2016)
Mr J Cheele (appointed 3 June 2016)
Mr D O'Riordan (appointed 3 June 2016)
Mr D Clarke (appointed 3 June 2016)

Financial risk management
Financial risk management is described in the Strategic report on page 2.

Critical accounting estimates
Critical accounting estimates are described in the Accounting policies on page 10.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Vita Industrial (Poland) Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of disclosure of information to auditors
In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

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

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

David O'Riordan

Mr D O'Riordan
Director
2 May 2017

Vita Industrial (Poland) Limited

Independent auditors' report to the members of Vita Industrial (Poland) Limited

Our opinion
In our opinion, Vita Industrial (Poland) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

What we have audited
The financial statements, included within the Annual report and financial statements (the "Annual report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matter 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Vita Industrial (Poland) Limited

Independent auditors' report to the members of Vita Industrial (Poland) Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of directors' responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

PricewaterhouseCoopers LLP

Simon White (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
2 May 2017

Vita Industrial (Poland) Limited

Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Administrative income/(expenses)		**2,894,725**	(1,102,744)
Operating profit/(loss)	1	**2,894,725**	(1,102,744)
Interest receivable and similar income	2	**1,515,707**	1,319,868
Profit before taxation		**4,410,432**	217,124
Tax on profit	4	**(75,785)**	(166,648)
Profit for the financial year	7	**4,334,647**	50,476

All results are generated from continuing operations.

The Accounting policies and notes form part of these financial statements.

The Company incurred no income or expense other than that recognised in the Profit and loss account above in either the current year or prior year, and therefore no separate Statement of comprehensive income has been presented.

Vita Industrial (Poland) Limited

Balance sheet as at 31 December 2016

	Note	2016	2015
		£	£
Current assets			
Debtors (includes £27,906,443 (2015:£23,571,810) due after more than one year)	5	**27,906,560**	23,571,913
Net current assets, total assets less current liabilities and net assets		**27,906,560**	23,571,913
Capital and reserves			
Called up share capital	6	**23,618,517**	23,618,517
Profit and loss account	7	**4,288,043**	(46,604)
Total shareholder's funds		**27,906,560**	23,571,913

The accounting policies and notes on pages 10 to 15 form part of these financial statements.

The financial statements on pages 7 to 15 were approved by the board of directors on 2 May 2017 and were signed on its behalf by:

Daniel O'Riordan

Mr D O'Riordan
Director
2 May 2017

Registered number
08803782

Vita Industrial (Poland) Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Profit and loss account	Total shareholder's funds
	£	£	£
At 1 January 2015	23,618,517	(97,080)	23,521,437
Profit for the financial year and total comprehensive income	-	50,476	50,476
At 31 December 2015	23,618,517	(46,604)	23,571,913
Profit for the financial year and total comprehensive income	-	4,334,647	4,334,647
At 31 December 2016	**23,618,517**	**4,288,043**	**27,906,560**

Vita Industrial (Poland) Limited

Accounting policies

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Vita Industrial (Poland) Limited for the year ended 31 December 2016 were authorised for issue by the board of directors on 2 May 2017 and the balance sheet was signed on behalf of the board by Mr D O'Riordan. Vita Industrial (Poland) Limited is a private limited company and is incorporated and domiciled in England and Wales.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act), as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The results of Vita Industrial (Poland) Limited are included in the consolidated financial statements of Vita (Lux III) S.àr.l., a company incorporated in Luxembourg. Copies of their financial statements can be obtained from Vita (Lux III) S.àr.l., 5, Rue Guillaume Kroll, L-1882, Luxembourg.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016. The financial statements are prepared in Sterling.

These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation
The financial statements have been prepared, on the going concern basis, using the historical cost convention, as stated in the accounting policies.

The Company is a qualifying entity for the purposes of FRS 101. Note 9 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, "Financial Instruments: Disclosures"
- IAS 7, "Statement of cash flows"
- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to financial statements pertain primarily to recoverability of debtors, which are described in further detail below.

Taxation
Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Accounting policies (continued)

Foreign currencies
Transactions denominated in foreign currencies are translated into Sterling at actual exchange rates as of the date of the transaction (or where appropriate, at the rate of exchange in a related foreign currency forward contract). Monetary assets and liabilities denominated in foreign currencies at the year end are translated into Sterling at the rate of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related foreign currency forward contract). Any gain or loss arising from a change in exchange rates subsequent to the date of transaction is included as an exchange gain or loss in the Profit and loss account.

Cash flow statement
The Company is a wholly owned subsidiary of Vita (Lux III) S.àr.l., which produces consolidated financial statements that are publicly available. Consequently, the Company is exempt from the requirement of IAS 7 "Statement of Cash Flows" to prepare a cash flow statement.

Interest receivable
Interest income is recognised in the Profit and loss account on an accruals basis.

Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 "Financial Instruments" are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

Subsequent measurement – Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that do not meet the hedge accounting criteria of IAS 39. Gains or losses on liabilities held for trading are recognised in the Profit and loss account.

Derecognition of financial liabilities
A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts, together with any costs or fees incurred, are recognised in profit or loss.

Financial assets

Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

Accounting policies (continued)

Financial assets (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Profit and loss account. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Profit and loss account within interest income or expenses in the period in which they arise.

Vita Industrial (Poland) Limited

Notes to the financial statements
for the year ended 31 December 2016

1 Operating profit/(loss)

Operating profit for the year ended 31 December 2016 included £2,894,725 foreign currency gains (2015: loss included £1,102,744 foreign currency losses), resulting from the revaluation of share capital transactions and amounts receivable from fellow group undertakings denominated in PLN.

Auditors' remuneration of £1,000 (2015: £1,000) for statutory audit services was borne by a fellow group undertaking. The auditors received no remuneration for non-audit services (2015: £nil).

2 Interest receivable and similar income

	2016 **£**	2015 £
Interest on amounts receivable from group undertakings	**1,515,707**	1,319,868

3 Directors and employees

The directors received no emoluments for their services to the Company in the year (2015: £nil). There were no employees in the current year or prior year.

4 Tax on profit

	2016 **£**	2015 £
Current tax		
United Kingdom corporation tax at 20% (2015: 20.25%)	-	-
Withholding tax	**75,785**	166,648
Tax on profit	**75,785**	166,648

The tax assessed for the year differs from (2015: differs from) the standard rate of Corporation tax in the UK. The differences are explained as follows:

	2016 **£**	2015 £
Profit before taxation	**4,410,432**	217,124
Tax on profit on ordinary activities before taxation at standard UK Corporation tax rate of 20% (2015: 20.25%)	**882,086**	**43,968**
Withholding tax	**75,785**	166,648
Income not taxable	**(882,086)**	(43,968)
Total tax charge for the financial year	**75,785**	166,648

The company has no unrecognised deferred tax assets (2015: £nil).

On 16 March 2016 the UK Chancellor announced a further reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020 (instead of 18% as previously announced). This change became substantively enacted on 15 September 2016. As such the deferred tax assets and liabilities have been re-measured accordingly.

5 Debtors

	2016	2015
	£	£
Amounts owed by group undertakings (including £27,906,443 (2015: £23,571,810) due after more than one year)	**27,906,560**	23,571,913

Amounts owed by group undertakings are unsecured and interest is charged on a floating rate basis. The rates are linked to the LIBOR (or equivalent) for the currency of each loan, and an appropriate margin is added.

6 Called up share capital

	2016	2015
	£	£
1 (2015: 1) ordinary share of £1 each	**1**	1
118,007,557 (2015: 118,007,557) ordinary shares of PLN 1 each	**23,618,516**	23,618,516
	23,618,517	23,618,517

7 Reserves

	Profit and loss account
	£
1 January 2015	(97,080)
Profit for the financial year	50,476
At 31 December 2015	(46,604)
Profit for the financial year	4,334,647
At 31 December 2016	**4,288,043**

8 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of IAS 24, 'Related Party Disclosures', from disclosing related party transactions with fellow Group companies on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by the Vita (Lux III) S.àr.l., whose financial statements are publicly available. There were no other related party transactions.

9 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Vita Industrial (UK) Limited.

Vita (Lux III) S.àr.l. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements may be obtained from 5, Rue Guillaume Kroll, L-1882, Luxembourg.

The Company's ultimate controlling party is TPG Partners IV-AIV, LP, a partnership located in the Cayman Islands. The ultimate parent company is Vita Cayman Limited.