

**Performance Masterbatches
Limited**

Financial Statements

Year Ended

31 December 2022

Company Number 01145445.



Performance Masterbatches Limited
Registered number:01145445

Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	5		940,614		824,701
			<u>940,614</u>		<u>824,701</u>
Current assets					
Stocks	6	1,330,724		1,176,003	
Debtors: amounts falling due within one year	7	1,190,858		1,082,292	
Cash at bank and in hand		291,865		1,116,282	
		<u>2,813,447</u>		<u>3,374,577</u>	
Creditors: amounts falling due within one year	8	(886,620)		(1,305,807)	
Net current assets			<u>1,926,827</u>		<u>2,068,770</u>
Total assets less current liabilities			<u>2,867,441</u>		<u>2,893,471</u>
Creditors: amounts falling due after more than one year	9		(3,600)		(197,014)
Provisions for liabilities					
Deferred tax	10		(106,672)		(87,690)
Net assets			<u><u>2,757,169</u></u>		<u><u>2,608,767</u></u>
Capital and reserves					
Called up share capital	11		29,514		29,514
Share premium account	12		5,264		5,264
Capital redemption reserve	12		750		750
Profit and loss account	12		2,721,641		2,573,239
Total equity			<u><u>2,757,169</u></u>		<u><u>2,608,767</u></u>

Performance Masterbatches Limited
Registered number:01145445

Statement of Financial Position (continued)
As at 31 December 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

24 March 2023

L J Watts
Director



The notes on pages 4 to 14 form part of these financial statements.

Performance Masterbatches Limited

Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	29,514	5,264	750	2,573,239	2,608,767
Comprehensive income for the year					
Profit for the year	-	-	-	148,402	148,402
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,402</u>	<u>148,402</u>
At 31 December 2022	<u>29,514</u>	<u>5,264</u>	<u>750</u>	<u>2,721,641</u>	<u>2,757,169</u>

Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2021	29,514	5,264	750	2,437,031	2,472,559
Comprehensive income for the period					
Profit for the period	-	-	-	176,558	176,558
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,558</u>	<u>176,558</u>
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(40,350)	(40,350)
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,350)</u>	<u>(40,350)</u>
At 31 December 2021	<u>29,514</u>	<u>5,264</u>	<u>750</u>	<u>2,573,239</u>	<u>2,608,767</u>

The notes on pages 4 to 14 form part of these financial statements.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

Performance Masterbatches Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page and the nature of the Company's principal activity is set out in the Directors' Report.

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 Section 1A of 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

In preparing these financial statements, the Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. In satisfaction of this responsibility the Directors have considered the Company's ability to meet its liabilities as they fall due for a period of at least twelve months from the signing date of the financial statements.

The Directors have prepared financial forecasts which demonstrate the Group has adequate cash and financing facilities. The review performed has considered severe but plausible downside scenarios that could reasonably arise within the period.

The Company continues to manufacture, with no plans to stop production, and manufacture products for a number of sectors that are considered to be essential. To date, the Company has not experienced any significant disruption from employee absence, supply chain or distribution networks and none is anticipated in the foreseeable future.

On the basis of these reviews, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

2.4 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.

2.5 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 in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.6 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.7 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.9 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 reporting 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 reporting 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 reporting date.

2.10 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.

Depreciation 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 basis:

Freehold property	- 2% per annum on cost
Plant and machinery	- 10% - 25% per annum on cost
Motor vehicles	- 25% per annum on cost
Fixtures and fittings	- 10% - 25% per annum on cost

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.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.16 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.18 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.

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

In the application of the Company's accounting policies, the Director's are required to make judgements, estimates and assumptions about the carrying amount 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. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets

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

4. Employees

The average monthly number of employees, including Directors, during the year was 49 (period ended 31 December 2021- 45).

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2022	520,278	2,523,696	112,494	243,457	3,399,925
Additions	-	243,530	-	-	243,530
Disposals	-	-	(21,253)	-	(21,253)
At 31 December 2022	<u>520,278</u>	<u>2,767,226</u>	<u>91,241</u>	<u>243,457</u>	<u>3,622,202</u>
Depreciation					
At 1 January 2022	87,898	2,168,629	85,415	233,282	2,575,224
Charge for the year	14,077	88,871	17,661	7,008	127,617
Disposals	-	-	(21,253)	-	(21,253)
At 31 December 2022	<u>101,975</u>	<u>2,257,500</u>	<u>81,823</u>	<u>240,290</u>	<u>2,681,588</u>
Net book value					
At 31 December 2022	<u>418,303</u>	<u>509,726</u>	<u>9,418</u>	<u>3,167</u>	<u>940,614</u>
At 31 December 2021	<u>432,380</u>	<u>355,067</u>	<u>27,079</u>	<u>10,175</u>	<u>824,701</u>

6. Stocks

	2022 £	2021 £
Raw materials and consumables	707,986	779,664
Work in progress	54,077	-
Finished goods and goods for resale	568,661	396,339
	<u>1,330,724</u>	<u>1,176,003</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

7. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	1,131,093	1,082,292
Amounts owed by group undertakings	19,158	-
Prepayments and accrued income	22,643	-
Corporation tax recoverable	17,964	-
	<u>1,190,858</u>	<u>1,082,292</u>

Amounts owed by group undertakings are interest free and repayable on demand.

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	-	30,904
Trade creditors	583,697	1,061,848
Government grants	4,872	5,050
Corporation tax	-	47,179
Other taxation and social security	135,392	53,865
Obligations under finance lease and hire purchase contracts	-	590
Other creditors	585	-
Accruals and deferred income	162,074	106,371
	<u>886,620</u>	<u>1,305,807</u>

Finance lease payments represent rentals payable by the Company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The liabilities are secured against the assets to which they relate.

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

9. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	-	188,720
Government grants	3,600	8,294
	<u>3,600</u>	<u>197,014</u>

The Company had two bank loans which were repayable in full by August 2026 and 2 April 2029. Interest was being charged on the one loan at a fixed rate of 2.5% and at 4.13% over the Barclays Bank PLC base rate on the other. Both loans were repaid in full on 4 January 2022.

10. Deferred taxation

	2022 £
At beginning of year	87,690
Charged to profit or loss	18,982
At end of year	<u>106,672</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	127,236	87,690
Short term timing differences	(154)	-
Other	(20,410)	-
	<u>106,672</u>	<u>87,690</u>

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50 (2021 - 50) Ordinary shares shares of £1.00 each	50	50
5,264 (2021 - 5,264) Ordinary A shares shares of £1.00 each	5,264	5,264
24,200 (2021 - 24,200) Ordinary B shares shares of £1.00 each	24,200	24,200
	<u>29,514</u>	<u>29,514</u>

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

11. Share capital (continued)

Ordinary shares are entitled to one vote in any circumstances.

Ordinary A shares are non-voting shares.

Ordinary B shares have a right to participate in dividends and other distributions made by the Company, pari passu with the Ordinary shares in the capital of the Company. In the event of a winding up of the Company the Ordinary B shares would have a right to participate but only after the capital paid up on the Ordinary and A shares.

12. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased by the Company.

Profit and loss account

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

13. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	6,483	12,000
Later than 1 year and not later than 5 years	6,086	-
	<u>12,569</u>	<u>12,000</u>

Performance Masterbatches Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

14. Related party transactions

The Company has taken advantage of the exemption available in Section 1AC.35 of FRS 102 Section 1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

Dividends of £Nil (2021 - £40,350) were paid to L Watts, a Director, during the period.

During the year, the Company made purchases of £180,964 (2021 - £Nil) from Resinex UK Ltd, a company related through common directorship held by A Megides. At the year end, the Company was owed £Nil (2021 - £Nil).

During the year, the Company made purchases of £842 (2021 - £Nil) from Color Service GmbH, a company related through common directorship held by A Megides. At the year end, the Company was owed £Nil (2021 - £Nil).

15. Controlling party

Up until 4 January 2022, the ultimate controlling party was Mr L Watts, director and shareholder. On 4 January 2022, Colloids Limited acquired 100% of the share capital of Performance Masterbatches Limited.

The Company is a wholly owned subsidiary of Colloids Limited, a company incorporated in England and Wales and registered at Kirkby Bank Road, Knowsley Industrial Park North, Kirkby, Merseyside, L33 7SY. The Company's ultimate parent company is Hemera Holdings B.V., a company incorporated in the Netherlands and registered at Hectorstraat 11, Tilburg, 5047RE, Netherlands.

The smallest group in which the results of the Company are consolidated is that headed by Colloids Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House at Crown Way, Cardiff, CF14 3UZ.

The largest group in which the results of the Company are consolidated is that headed by Hemera Holdings B.V.

The ultimate controlling party is A Megides by virtue of their controlling interest in the Company's parent companies.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 24 March 2023 by Julien Rye (Senior Statutory Auditor) on behalf of BDO LLP.