

REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR 31 DECEMBER 2020

FOR

AXIA PLASTICS (UK) LIMITED

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AXIA PLASTICS (UK) LIMITED

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AXIA PLASTICS (UK) LIMITED

COMPANY INFORMATION

DIRECTORS:

V Goradia
R L Dosualdo
J J B Mulderink

REGISTERED OFFICE:

8th Floor 20 Farringdon Street London
United Kingdom EC4A 4AB

REGISTERED NUMBER:

11508124 (England and Wales)

INDEPENDENT AUDITORS:

PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
London
E14 4HD

AXIA PLASTICS (UK) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of the company for the Year ended 31 December 2020

Directors Responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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; and
- prepare the financial statements on a 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. The Directors 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.

Commencement of Trading

The company commenced trading from 2nd August 2019.

Principal Activity

The principal activity of the company in the period under review was that of distribution of chemicals and plastics.

Directors

The directors who have held office during the period from 1st January,2020 to the date of this report are as follows:

V Goradia - appointed 9 August 2018

R L Dosualdo - appointed 1 January 2019

J J B Mulderink - appointed 1 January 2019

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting

AXIA PLASTICS (UK) LIMITED

REPORT OF THE DIRECTORS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors

In accordance with the company's articles, a resolution proposing that PKF Littlejohn LLP be reappointed as auditor of the company will be put at General meeting in accordance with section 485 of the companies act 2006

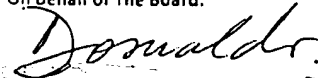
Disclosure of information to auditors

The Directors has taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Small Companies Note

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

On Behalf of The Board:


R L DOSWALDO - DIRECTOR
Date: 08/12/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIA PLASTICS (UK) LIMITED

Opinion

We have audited the financial statements of Axia Plastics (UK) Limited (the 'company') for the period ended 31 December 2020 which comprise Statement of Comprehensive Income, the Balance Sheet and notes to the financial statements, 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 loss for the period then
- 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 Auditor's 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 UK, including the FRC'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 director's 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIA PLASTICS (UK) LIMITED-CONTINUED

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or

the directors were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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 auditor's 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:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, Bribery Act 2010 and Employment Law.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Enquiries of management,
 - review of minutes, review of legal
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIA PLASTICS (UK) LIMITED-CONTINUED

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 auditor's report.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP

Cheryl Court (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD
Date: 14 December 2021

AXIA Plastics (UK) Limited

Income statement for the year ended 31 December, 2020

	Notes	2020		2019	
Turnover		£	2,810,752	£	580,486
Cost Of Sales		-£	2,718,538	-£	564,576
Gross Profit		£	92,214	£	15,910
Administrative Expenses		£	116,878	£	80,135
Operating Loss		-£	24,663	-£	64,226
Interest Receivable and similar Income		£	86	£	11
		-£	24,577	-£	64,214
Interest payable and similar expense		-£	273	-£	95
Loss Before Taxation		-£	24,850	-£	64,309
Tax on Loss		£	4,722	£	-
Loss for The Financial Period		-£	20,129	-£	64,309

There was no other comprehensive income

AXIA Plastics (UK) Limited
Registered Number: 11508124
Balance Sheet as at 31 December, 2020

	Notes	2020	2019
Fixed Assets			
Intangible Assets	5	£ 9,623	£ 4,750
Current Assets			
Debtors	6	£ 1,316,455	£ 502,354
Inventory	7	£ 1,497,731	£ -
Cash At Bank	8	£ 394,060	£ 153,694
		£ 3,208,246	£ 655,748
Creditors			
Amounts Falling Due Within One Year	9	-£ 3,295,707	-£ 724,807
Net Current Liabilities		-£ 87,461	-£ 69,059
Total Assets Less Current Liabilities		-£ 84,437	-£ 64,309
Capital And Reserves			
Called Up Share Capital		£ 1	£ 1
Retained Earnings		-£ 84,438	-£ 64,308
Shareholders' Funds		-£ 84,437	-£ 64,307

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 provision of FRS 102 Section 1A-small entities.

08/12/2021

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

Donald

R L Dosualdo - Director

08/12/2021

R L DOSUALDO

AXIA Plastics (UK) Limited

Statement of change in Equity as at 31 December,2020

	Called up Share Capital	Profit and loss account	Total equity
Balance at 1 January 2019	£ 1	£ -	£ 1
Loss for the period		-£ 64,309	-£ 64,309
Balance at 31 December 2019	£ 1	-£ 64,309	-£ 64,308
Balance at 1 January 2020	£ 1	-£ 64,309	-£ 64,308
Loss for the period	£ -	-£ 20,129	-£ 20,129
Balance at 31 December 2020	£ 1	-£ 84,438	-£ 84,437

Notes To The Financial Statements for the year 2020

1. Statutory Information

AXIA Plastics (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when it becomes a party to the contractual provision of the instrument.

Debtors

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

Creditors

Short term creditors are measured at transaction price.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. Employees and Directors

The average number of employees/directors during the period was 4 (Previous year 3).

4. Operating Loss

Axia Plastics UK has had small losses in 2019 and 2020 totaling to 84K Pound Sterling. These are considered to be initial start-up losses and do not represent an insolvency risk to the company. The 2020 operations of the company have not been impacted much by the effects of the COVID-19 outbreak or Brexit. However, changes in macroeconomic conditions such as interest rates and inflation, currency policies, unemployment, and the gross domestic product of individual countries may significantly influence supply and demand dynamics in the course of 2021.

The opening-up of economies in many European countries at the start of 2021 in combination with accommodative monetary and fiscal policies in many countries, has given demand for our products a significant tailwind. This is also valid for Axia UK, where we made a before tax income of GBP 545,562, in the first nine months of the year. Conditions are expected to normalise in the course of the year, therefore at this moment the exact impact on the company cannot be determined. Currently we do not see any significant uncertainties on the entities ability to continue as a going concern.

Subsequent event

•We have appointed a new CEO of the company (Vinmar) on January 1st, 2021. Hemant Goradia was replaced by Vishal Goradia. Vishal's strategy is to continue business as is and no dramatic change in strategy is expected.

•Vishal has appointed Ricardo Levy Dosualdo as the new global VP for Plastics on January 1st, 2021 from his position as Director for Europe. No changes were made in the structure of the Axia entities, where Jan Mulderink remains as MD (reporting to Ricardo) and George Warner as Country Manager (reporting to Jan).

AXIA Plastics (UK) Limited
Notes represents balances as at 31 December,2020

5. Computer Software

	2020		2019	
Cost				
Opening Balance	£	5,182	£	-
Additions	£	-	£	5,182
Balance as at year end	£	5,182	£	5,182
Amortization				
Opening Balance	£	432	£	-
Amortization for period	£	1,727	£	432
Balance as at year end	£	2,159	£	432
Net Block	£	3,023	£	4,750

6. Debtors: Amounts Falling Due Within One Year

	2020		2019	
Trade debtors	£	1,091,364	£	476,180
Amounts owed by group undertakings	£	220,202	£	25,864
Other Debtors	£	4,889	£	10
	£	1,316,455	£	502,054

7. Inventory

	2020		2019	
Inventory in Hand	£	822,907	£	-
Inventory in Transit	£	674,824	£	-
	£	1,497,731	£	-

8. Cash & Cash Equivalent

	2020		2019	
Cash at Bank	£	394,060	£	153,694
	£	394,060	£	153,694

9. Creditors: Amounts Falling Due Within One Year

	2020		2019	
Trade creditors	£	-	£	-
Amounts owed to group undertakings	-£	3,125,499	-£	627,580
Accruals	-£	30,169	£	-
Other Liabilities	-£	37,041	£	-
VAT	-£	102,998	-£	97,227
	-£	3,295,707	-£	724,807

10. ULTIMATE CONTROLLING PARTY

The immediate parent company is Axia Plastics Holdings LLC, a company established in Delaware, USA; the ultimate controlling party is Vinmar Capital Holdings LP, a company established in the State of Delaware, USA, having its principal place of business and registered address at 16825 Northchase Dr., #1400, Houston, TX. The largest group in which the results of the company are consolidated is Vinmar Capital Holdings LP.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available on FRS 8 "Related party disclosures" whereby it has not disclosed transaction with the company's parent or any other wholly owned subsidiary undertaking of the company's parent.