

Company Registration No. 12170514 (England and Wales)

Polytech Liquid Polymers Limited

**Financial statements
for the period ended 30 June 2022**

Pages for filing with the Registrar

Polytech Liquid Polymers Limited

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Polytech Liquid Polymers Limited

**Statement of financial position
As at 30 June 2022**

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	5	5,143,639	6,096,139
Tangible assets	6	1,927,858	2,318,988
		<u>7,071,497</u>	<u>8,415,127</u>
Current assets			
Stocks		4,027,328	3,334,342
Debtors	7	3,349,916	2,906,235
Cash at bank and in hand		1,362,777	1,504,848
		<u>8,740,021</u>	<u>7,745,425</u>
Creditors: amounts falling due within one year	8	<u>(10,460,646)</u>	<u>(10,120,409)</u>
Net current liabilities		<u>(1,720,625)</u>	<u>(2,374,984)</u>
Total assets less current liabilities		<u>5,350,872</u>	<u>6,040,143</u>
Creditors: amounts falling due after more than one year	9	-	(72,267)
Provisions for liabilities		<u>(152,782)</u>	<u>(488,935)</u>
Net assets		<u><u>5,198,090</u></u>	<u><u>5,478,941</u></u>
Capital and reserves			
Called up share capital		5,380,145	5,380,145
Profit and loss reserves		(182,055)	98,796
Total equity		<u><u>5,198,090</u></u>	<u><u>5,478,941</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

Polytech Liquid Polymers Limited

Statement of financial position (continued)

As at 30 June 2022

The financial statements were approved by the board of directors and authorised for issue on 23 January 2023 and are signed on its behalf by:

C Nicholls

Director

Company Registration No. 12170514

Polytech Liquid Polymers Limited

Notes to the financial statements For the period ended 30 June 2022

1 Accounting policies

Company information

Polytech Liquid Polymers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nab Quarry, Long Lane, Pott Shrigley, Macclesfield, Cheshire, England, SK10 5SD.

1.1 Reporting period

Further to its acquisition by Plixsent Holding UK Limited, the company was required to change its auditor. The directors wished to ensure that the new auditor attend its accounting year-end stock count. To accommodate this requirement, it became necessary to change the company's accounting date, which has resulted in a reporting period of 15 months. Following this, the company has shortened its next reporting period to six months so that the accounting date is in alignment with the other companies in the Plixsent group. The changes in the accounting date will result in the comparable amounts shown in these accounts and in the next two accounts being not entirely comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15% reducing balance
Fixtures and fittings	25% reducing balance
Computers	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, which is equivalent to net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)

For the period ended 30 June 2022

1 Accounting policies (continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of goodwill requires management to prepare discounted cash flows which involves making significant judgements and assumptions, including sales growth rates and interest rates. The senior management team prepare detailed budgets applying full consideration of customer and product development on a detailed customer and product level line by line basis. Interest rates assumed are a reflection of the interest rates charged by Plixxent Holding UK Limited with consideration of inflation.

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022	2021
	Number	Number
Total	33	4
	<u> </u>	<u> </u>

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)
For the period ended 30 June 2022

4 Directors' remuneration

	2022	2021
	£	£
Remuneration paid to directors	374,589	-

5 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2021 and 30 June 2022	6,096,139
Amortisation and impairment	
At 1 April 2021	-
Amortisation charged for the period	952,500
At 30 June 2022	952,500
Carrying amount	
At 30 June 2022	5,143,639
At 31 March 2021	6,096,139

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)

For the period ended 30 June 2022

6 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
At 1 April 2021	2,307,080	5,568	1,707	4,633	2,318,988
Additions	202,968	-	91,410	-	294,378
Disposals	(8,939)	-	(1,707)	(4,633)	(15,279)
At 30 June 2022	2,501,109	5,568	91,410	-	2,598,087
Depreciation charged in the period	573,198	1,740	9,705	1,574	586,217
Impairment losses	96,232	-	-	-	96,232
Eliminated in respect of disposals	(8,939)	-	(1,707)	(1,574)	(12,220)
At 30 June 2022	660,491	1,740	7,998	-	670,229
Carrying amount					
At 30 June 2022	1,840,618	3,828	83,412	-	1,927,858
At 31 March 2021	2,307,080	5,568	1,707	4,633	2,318,988

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	3,182,575	2,485,627
Other debtors	167,341	420,608
	<u>3,349,916</u>	<u>2,906,235</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,101,253	3,933,900
Amounts owed to group undertakings	6,648,442	5,865,701
Corporation tax	89,234	20,363
Other taxation and social security	146,280	-
Other creditors	475,437	300,445
	<u>10,460,646</u>	<u>10,120,409</u>

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)

For the period ended 30 June 2022

9 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	-	72,267
	<u> </u>	<u> </u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

Qualified opinion

We have audited the financial statements of Polytech Liquid Polymers Limited (the 'company') for the period ended 30 June 2022 which comprise , the statement of financial position and notes to the financial statements, including 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, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the period 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.

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)
For the period ended 30 June 2022

10 Audit report information (continued)

Basis for qualified opinion

We were appointed as auditors for the period ended 30 June 2022, the predecessor auditor did not observe the counting of physical inventories as at 31 March 2021, being the comparative period end date. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £3,334,342 held at 31 March 2021 by using other procedures. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2021 was necessary or whether there was any consequential effect on the cost of sales for the period ended 30 June 2022. The audit opinion on the financial statements for the year ended 31 March 2021 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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 qualified opinion.

The senior statutory auditor was Diane Petit-Laurent FCA and the auditor was Saffery Champness LLP.

11 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	151,344	-
	=====	=====

Polytech Liquid Polymers Limited

Notes to the financial statements (continued)

For the period ended 30 June 2022

12 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	2022	2021
	£	£
Group management charges	394,760	-
Interest expenses on loan by parent undertaking	387,981	-
	=====	=====

Balances with related parties

	2022	2021
	£	£
Amounts owed to parent undertaking	6,648,442	5,865,701
	=====	=====

13 Parent company

Polytech Liquid Polymers Limited is a member of a group, of which the parent of the smallest group is Plixxent Holding GmbH. The financial statements of Polytech Liquid Polymers Limited are included in the consolidated financial statements of Plixxent Holding GmbH whose registered office is Gasstrasse 18 (Haus 5), 22761 Hamburg, Germany.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.