financial statements

VIP-Polymers Limited

For the period ended: 2 April 2016

Company registration number: 04256307

VIP-POLYMERS LIMITED

COMPANY INFORMATION

Directors	Mr L R Litwinowicz Mr T Middleton Mr J S D Millar Mr S T Casey Mr G McCullum
Company secretary	Mr G McCullum
Registered number	04256307
Registered office	Unit 5 The Courtyard Timothys Bridge Road Stratford Upon Avon Warwickshire CV37 9NP
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 8-12 Priestgate Peterborough PE1 1JA
Bankers	Barclays Commercial Bank PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN

VIP-POLYMERS LIMITED

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STRATEGIC REPORT
FOR THE PERIOD ENDED 2 APRIL 2016

Introduction

The directors have pleasure in presenting their report and the financial statements of the company for the period ended 2 April 2016.

Principal activities and business review

The principal activity of the company during the year was the manufacture and distribution of rubber products focusing on our globally approved sealing gaskets.

Against difficult trading conditions our sales turnover dropped by 15.6% impacting on our operating profits which reduced to £111,465 from £518,783 in 2015/16.

Our strategic decision to promote the VIP brand, including the launch of a new website, and entering the Tunnel Segment Gasket market has started to bear fruit with significant contracts won and this will have a positive effect in 2016/17 as will the expected growth from the AMP 6 cycle in the UK Water Industry regulated spending cycle.

Future Developments

In the opinion of the Directors, the Company's strategy to focus on its core business will enable it to continue to maintain its service to its existing customers and provide an excellent partner to new and prospective customers.

Principal risks and uncertainties

The main risks arising from the Company's activities are credit risk, interest rate risk, commodity price risk and foreign currency risk.

The Company has a well-established base of customers and the credit risk is low.

The Company's overdraft facility attracts a variable rate above base and therefore has exposure to movements in the base rate, which has remained stable during the year.

Commodity prices reduced during the year with oil prices lowering having a marginal impact with some reductions of input costs. With commodity prices starting to rise it should have a positive impact on Middle East infrastructure investment decisions.

The Company's predominant operating currency is sterling, but there are significant Euro revenues, and a number of forward contracts have been entered into during the year, the object of which was to hedge the Company's foreign exposure to Euro denominated receivables.

STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 2 APRIL 2016

Financial key performance indicators

An extensive number of KPI's are used within the business including sales per employee, capacity and labour efficiency, stock turnover, customer complaints, supplier delivery, quality and health and safety monitors. Demanding targets are set at the beginning of each year and achievement to plan is measured continually. In the current financial year the Company achieved the following KPI results:

	2015/16	2014/15
Sales per Employee:	£82,028	£103,035
Operating Profit %:	1.0%	3.8%
Interest Cover:	3.1	12.1
Stock Turnover:	7.0	10.7

Low debt levels and facilities with existing Banker's leave the Company with headroom to execute its current strategic objectives. Overall net worth increased to £2,982,762 during the past year.

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

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Mr J S D Millar
Director

Date: 18 July 2016

DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 APRIL 2016

The directors present their report and the financial statements for the period ended 2 April 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

Results and dividends

The profit for the period, after taxation, amounted to £151,512 (2015 - £475,762).

The directors have not recommended a dividend (2015 - £nil).

Directors

The directors who served during the period were:

Mr L R Litwinowicz
Mr T Middleton
Mr J S D Millar
Mr S T Casey
Mr G McCullum

Matters covered in the strategic report

Details concerning principal activities, business review, principal risks and uncertainties, financial instruments, financial key performance indicators (KPI's) and future developments can be found in the Strategic Report.

DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 APRIL 2016

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

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Mr J S D Millar
Director

Date: 18 July 2016

Unit 5 The Courtyard
Timothys Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VIP-POLYMERS LIMITED

We have audited the financial statements of VIP-Polymers Limited for the period ended 2 April 2016, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity. and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 April 2016 and of its profit 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VIP-POLYMERS LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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

We have nothing to report in respect of the following matters where 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.

MHA MacIntyre Hudson

Stuart Manning FCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

8-12 Priestgate
Peterborough
PE1 1JA

18 July 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 2 APRIL 2016

	Note	2016 £	2015 £
Turnover	4	**11,647,945**	13,806,683
Other operating income	5	**10,000**	43,910
Raw materials and consumables		**(4,789,193)**	(6,367,848)
Other external charges		**(2,652,883)**	(3,170,792)
Staff costs		**(3,751,335)**	(3,532,949)
Depreciation and amortisation		**(293,485)**	(260,221)
Other operating expenses	6	**(59,584)**	-
Operating profit	7	**111,465**	518,783
Amounts written off investments		**(72,000)**	-
Interest payable and expenses	11	**(36,192)**	(43,021)
Profit before tax		**3,273**	475,762
Tax on profit	12	**148,239**	-
Profit for the period		**151,512**	475,762

There was no other comprehensive income for 2016 (2015 - £NIL).

All amounts relate to continuing operations.

The notes on pages 11 to 33 form part of these financial statements.

VIP-POLYMERS LIMITED
REGISTERED NUMBER:04256307

BALANCE SHEET
AS AT 2 APRIL 2016

	Note		2 April 2016 £		28 March 2015 £
Fixed assets					
Tangible assets	13		**1,252,891**		1,149,859
Investments	14		**521,543**		365,497
			1,774,434		1,515,356
Current assets					
Stocks	15	**1,655,366**		1,292,726	
Debtors: amounts falling due within one year	16	**2,075,362**		3,118,027	
Cash at bank and in hand	17	**824,065**		554,379	
		4,554,793		4,965,132	
Creditors: amounts falling due within one year	18	**(3,109,630)**		(3,374,921)	
Net current assets			**1,445,163**		1,590,211
Total assets less current liabilities			**3,219,597**		3,105,567
Creditors: amounts falling due after more than one year	19		**(236,835)**		(278,763)
Net assets			**2,982,762**		2,826,804
Capital and reserves					
Called up share capital	22		**104,446**		100,000
Profit and loss account	23		**2,878,316**		2,726,804
			2,982,762		2,826,804

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

Mr J S D Millar
Director

Mr G McCullum
Director

Date: 18 July 2016

The notes on pages 11 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 APRIL 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 29 March 2015	100,000	2,726,804	2,826,804
Comprehensive income for the period			
Profit for the period	-	151,512	151,512
Total comprehensive income for the period	-	151,512	151,512
Shares issued during the period	4,446	-	4,446
Total transactions with owners	4,446	-	4,446
At 2 April 2016	104,446	2,878,316	2,982,762

FOR THE PERIOD ENDED 28 MARCH 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	100,000	2,251,042	2,351,042
Comprehensive income for the period			
Profit for the period	-	475,762	475,762
Total comprehensive income for the period	-	475,762	475,762
At 28 March 2015	100,000	2,726,804	2,826,804

The notes on pages 11 to 33 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 2 APRIL 2016

	2 April 2016 £	28 March 2015 £
Cash flows from operating activities		
Profit for the financial period	**151,512**	475,762
Adjustments for:		
Depreciation of tangible assets	**293,485**	260,221
Increase in stocks	**(362,640)**	(68,260)
Interest paid	**36,192**	43,021
Taxation	**(148,239)**	-
Decrease (increase) in debtors	**1,114,665**	(809,561)
(Decrease) increase in creditors	**(140,234)**	479,674
Corporation tax repaid	**76,239**	-
Net cash generated from operating activities	**1,020,980**	380,857
Cash flows from investing activities		
Purchase of tangible fixed assets	**(241,281)**	(387,916)
Purchase of fixed asset investments	**(59,401)**	-
Purchase of share in joint ventures	**(96,645)**	(33,867)
Net cash from investing activities	**(397,327)**	(421,783)
Cash flows from financing activities		
Issue of ordinary shares	**4,446**	-
Repayment of finance leases and hire purchase capital	**(171,185)**	(16,623)
Bank interest paid	**(15,992)**	(23,466)
Hire purchase and finance lease interest paid	**(20,200)**	(19,555)
Net cash used in financing activities	**(202,931)**	(59,644)
Net increase / (decrease) in cash and cash equivalents	**420,722**	(100,570)
Cash and cash equivalents at beginning of period	**88,738**	189,308
Cash and cash equivalents at the end of period	**509,460**	88,738
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**824,065**	554,379
Bank overdrafts	**(314,605)**	(465,641)
	509,460	88,738

The notes on pages 11 to 33 form part of these financial statements.

1. General information

VIP-Polymers Limited (the Company) is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given in the company information. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

2. Accounting policies

2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

These financial statements for the year ended 2 April 2016 are the first financial statements that comply with FRS 102. The date of transition is 30 March 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

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

The following principal accounting policies have been applied:

2.2 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.3 Revenue

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

Sale of goods

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

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

2. Accounting policies (continued)

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

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.

The estimated useful lives range as follows:

Plant and machinery	- 3 to 10 years
Motor vehicles	- 5 years
Fixtures and fittings	- 5 years
Office equipment	- 5 years

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 within 'other operating income' in the Statement of Comprehensive Income.

2.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2. Accounting policies (continued)

2.7 Stocks

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

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

2.8 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.

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2. Accounting policies (continued)

2.10 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 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. Accounting policies (continued)

2.12 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 the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.14 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 28 March 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. Accounting policies (continued)

2.15 Pensions

The Company operates defined contribution plans for its employees and directors. 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 payments obligations.

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

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

2.17 Taxation

Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.18 Research and development

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

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgments (apart from those involving estimates and in particular for depreciation, doubtful debt and stock obsolescence provisions) that have had a significant effect on amounts recognised in the financial statements.

4. Analysis of turnover

The whole of the turnover is attributable to the one principal activity of the Company.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**6,104,554**	6,870,117
Rest of the World	**5,543,391**	6,936,566
	11,647,945	13,806,683

5. Other operating income

	2016 £	2015 £
Management charges receivable	**10,000**	25,000
Fair value gains on forward contracts	**-**	18,910
	10,000	43,910

6. Other operating charges

	2016 £	2015 £
Fair value losses on foreign forward exchange contracts	**59,584**	-
	59,584	-

7. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**293,485**	260,221
Fees payable to the Company's auditor for the audit of the company's annual financial statements	**15,500**	15,200
- *Other accounting and taxation compliance services*	**(3,000)**	13,250
Exchange differences	**(134,726)**	14,192
Defined contribution pension cost	**130,771**	122,698
Operating lease rentals - plant and machinery	**101,585**	105,050
Operating lease rentals - other	**153,201**	169,098

8. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**15,500**	15,200
	15,500	15,200
Fees payable to the Company's auditor in respect of:		
Other accounting and taxation services	**(3,000)**	13,250
	(3,000)	13,250

Other accounting and taxation services costs are in credit for the period to 2 April 2016 due to costs being over accrued during the previous financial period.

9. Employees

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

	2016 £	2015 £
Wages and salaries	**3,310,025**	3,118,144
Social security costs	**303,559**	285,787
Other pension costs	**130,771**	122,698
	3,744,355	3,526,629

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

	2016 No.	2015 No.
Production staff	**96**	88
Administrative staff	**46**	46
	142	134

10. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	281,926	253,714
Company contributions to defined contribution pension schemes	21,590	19,675
	303,516	273,389

During the period retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £124,582 (2015 - £111,157).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2015 - £8,370).

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	15,992	23,466
Finance leases and hire purchase contracts	20,200	19,555
	36,192	43,021

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(72,000)	-
Adjustments in respect of previous periods	(76,239)	-
	(148,239)	-
Total current tax	(148,239)	-
Deferred tax		
Total deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	(148,239)	-

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**62,857**	475,763
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**12,571**	99,910
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**14,534**	84
Capital allowances for period exceeded by/(in excess of) depreciation	**27,887**	(24,024)
Utilisation of tax losses	**(54,992)**	(73,764)
Adjustments to tax charge in respect of prior periods - relating to research and developments tax credits	**(76,239)**	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	**-**	(2,206)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(72,000)**	-
Total tax charge for the period	**(148,239)**	-

Factors that may affect future tax charges

As a result of the carry forward of taxable losses to future periods, the company has an unrecognised deferred tax asset. The estimated value based on a 18% (2015 - 20%) tax rate is approximately £172,000 (2015 - £245,000), of which £95,000 (2015 - £133,000) has been recognised by offset against short term timing differences.

13. Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 29 March 2015	3,598,673	4,394	392,951	166,549	4,162,567
Additions	269,733	-	126,784	-	396,517
At 2 April 2016	3,868,406	4,394	519,735	166,549	4,559,084
Depreciation					
At 29 March 2015	2,599,232	4,394	281,233	127,849	3,012,708
Charge for the year	247,001	-	38,329	8,155	293,485
At 2 April 2016	2,846,233	4,394	319,562	136,004	3,306,193
Net book value					
At 2 April 2016	1,022,173	-	200,173	30,545	1,252,891
At 28 March 2015	999,441	-	111,718	38,700	1,149,859

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2 April 2016	28 March 2015
	£	£
Plant and machinery	421,795	482,411
	421,795	482,411

Hire purchase agreements

The depreciation charged to the financial statements in the year in respect of assets held under hire purchase agreements amounts to £89,630 (2015 - £87,150).

14. Fixed asset investments

	Investments in subsidiary companies	Investment in joint ventures	Loans to joint ventures	Total
	£	£	£	£
Cost or valuation				
At 29 March 2015	19,700	158,491	187,306	365,497
Additions	59,401	96,645	-	156,046
Foreign exchange movement	-	-	72,000	72,000
At 2 April 2016	79,101	255,136	259,306	593,543
Impairment				
Charge for the period	-	72,000	-	72,000
At 2 April 2016	-	72,000	-	72,000
Net book value				
At 2 April 2016	79,101	183,136	259,306	521,543
At 28 March 2015	19,700	158,491	187,306	365,497

14. Fixed asset investments (continued)

Investment in subsidiary

During 2012 the company formed a wholly owned subsidiary, VIP-Polymers GmbH, which is incorporated in Germany. The company invested further monies in the subsidiary in 2016. Consolidated accounts have not been prepared as the company has taken advantage of the exemption in FRS 102 9.8A as the subsidiary is not material in relation to the company for the purposes of the financial statements giving a true and fair view.

At the balance sheet date the aggregate amount of the subsidiaries capital and reserves were £50,787 (2015 - £40,539) and the subsidiary incurred a loss for the year of £47,538 (2015 - £4,689).

Joint ventures

The company has entered into the following joint venture arrangements in previous years.

The company entered into a 50:50 joint venture agreement in a company called VIP-Polymers PTE. Limited during 2006. The joint venture company ("JV") is incorporated in the Republic of Singapore and manufactures rubber products, the accounting period end for the JV is 31 December.

During July 2013 the company entered into another 50:50 joint venture in the company Duvalco UK Limited. This JV company is incorporated in the UK and distributes valve products in the UK and Ireland, the accounting period end for the JV is 31 March.

In January 2015 the company entered into another 50:50 joint venture in the company VIP-Polymers LLC. This JV company is incorporated in Ras Al Khaimah, U.A.E. It began trading and a further capital investment amounting to £96,645 was made in the year.

The additional information about the effects of accounting for the joint ventures using the equity method would be as follows:

	2016
	£
Cost of share capital	158,491
Group's share of retained profits brought forward	23,283
At 29 March 2015	**181,774**
Group's share of retained profits for the year	(38,223)
Additions	96,645
Exchange translation gains	29,213
At 2 April 2016	**269,409**

The additional disclosures required relating to the joint ventures summarised financial information is provided below. The information presented combines the financial information for the three joint ventures as no individual entity is material to the company's results. The information reflects the amounts presented in the financial statements of the joint ventures and not VIP- Polymers Limited's share of those amounts.

Summarised statement of comprehensive income

	2 April 2016	28 March 2015
	£	£
Turnover	1,052,685	1,207,318
Operating profit/(loss)	(75,553)	10,420
Interest payable and expenses	-	-
Profit/(loss) for the period	**(75,553)**	10,420
Tax on profit	(893)	(4,659)
Total comprehensive income for the period	**(76,446)**	5,761

Summarised balance sheet

	2 April 2016 £	28 March 2015 £
Fixed assets	**243,267**	28,568
Current assets	**1,097,152**	1,048,846
Creditors falling due within one year	**(292,618)**	(363,549)
Creditors falling due after one year	**(508,983)**	(478,989)
	538,818	234,876

15. Stocks

	2 April 2016 £	28 March 2015 £
Raw materials	**685,763**	389,705
Work in progress	**284,807**	303,149
Finished goods and goods for resale	**684,796**	599,872
	1,655,366	1,292,726

Stock recognised in raw materials and consumables during the period as an expense was £4,789,193 (2015 - £6,367,848).

16. Debtors

	2 April 2016 £	28 March 2015 £
Trade debtors	**1,781,021**	2,882,494
Other debtors	**74,350**	109,035
Prepayments and accrued income	**147,991**	126,498
Tax recoverable	**72,000**	-
	2,075,362	3,118,027

17. Cash and cash equivalents

	2 April 2016 £	28 March 2015 £
Cash at bank and in hand	**824,065**	554,379
Less: bank overdrafts	**(314,605)**	(465,641)
	509,460	88,738

18. Creditors: Amounts falling due within one year

	2 April 2016 £	28 March 2015 £
Bank overdrafts	**314,605**	465,641
Trade creditors	**1,488,913**	1,702,483
Other taxation and social security	**141,499**	124,508
Obligations under finance lease and hire purchase contracts	**204,779**	178,800
Other creditors	**632,820**	612,603
Accruals and deferred income	**327,014**	290,886
	3,109,630	3,374,921

Secured loans

The following liabilities disclosed under creditors falling due within one year are secured by the company. The net obligations under finance leases and hire purchase contracts are secured against the assets which they relate.

	2 April 2016 £	28 March 2015 £
Overdrafts	**314,605**	465,641
Obligations under finance lease and hire purchase contracts	**204,779**	178,800
	519,384	644,441

19. Creditors: Amounts falling due after more than one year

	2 April 2016 £	28 March 2015 £
Net obligations under finance leases and hire purchase contracts	**236,835**	278,763
	236,835	278,763

Secured loans

The following liabilities disclosed under creditors falling due after more than one year are secured by the company. The net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

	2 April 2016 £	28 March 2015 £
Net obligations under finance leases and hire purchase contracts	**236,835**	278,763
	236,835	278,763

20. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2 April 2016 £	28 March 2015 £
Within one year	**204,779**	178,800
Between 1-2 years	**80,543**	166,207
Between 2-5 years	**156,292**	112,557
	441,614	457,564

21. Financial instruments

	2 April 2016 £	28 March 2015 £
Financial assets		
Cash and bank balances	**824,065**	554,379
Financial assets measured at undiscounted amount receivable	**1,855,371**	2,991,529
Financial assets that are equity instruments measured at cost less impairment	**262,237**	178,191
Financial assets that are debt instruments measured at amortised cost	**259,306**	187,306
	3,200,979	3,911,405
Financial liabilities		
Financial liabilities measured at amortised cost	**(3,204,966)**	(3,529,176)
	(3,204,966)	(3,529,176)

Financial assets measured at undiscounted amount receivable comprise the following items;
-Trade and other debtors

Financial assets that are equity instruments measured at cost less impairment comprise the following items;
- Fixed asset investments in subsidiaries and joint ventures

Financial assets that are debt instruments measured at amortised cost comprise the following items;
- Fixed asset loans to joint ventures

Financial Liabilities measured at amortised cost comprise the following items;
-Bank overdrafts
-Trade creditors
-Net obligations due under finance lease and hire purchase contracts
-Other creditors
-Accruals

22. Share capital

	2 April 2016 £	28 March 2015 £
Allotted, called up and fully paid		
64,800 Ordinary shares of £1 each	**64,800**	64,800
35,200 G Ordinary shares of £1 each	**35,200**	35,200
4,446 B Ordinary shares of £1 each	**4,446**	-
	104,446	100,000

22. Share capital (continued)

On 30 September 2015 4,446 Ordinary B shares were issued at par.

Ordinary shares and G Ordinary shares rank pari passu with equal voting rights, dividend rights and capital distribution rights.

The B Ordinary shares have equal voting rights to the Ordinary and G Ordinary shares. The Ordinary B shares have a right to receive a dividend only after dividend is declared on the £1 Ordinary shares and G Ordinary shares. However such dividend must receive 75% approval by the shareholders.

The B Ordinary shares confer a right of a capital distribution (including on a winding up) to the extent on the amounts subscribed at par only. Therefore, the capital rights of the shares can only be repaid at a maximum of £1 per share in the event of a sale or winding up of the company.

23. Reserves

Retained earnings

Retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

24. Capital commitments

At 2 April 2016 the Company had capital commitments as follows:

	2 April 2016 £	28 March 2015 £
Contracted for but not provided in these financial statements	**100,000**	-
	100,000	-

25. Pension commitments

The Company operates defined contribution pension schemes for its employees and directors. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £130,771 (2015: £122,698).

As at the Balance sheet date there were outstanding contributions payable to the fund totalling £12,024 (2015: £11,652). These are included within other creditors falling due within one year.

26. Commitments under operating leases

At 2 April 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2 April 2016 £	28 March 2015 £
Land and buildings		
Not later than 1 year	**164,100**	154,100
Later than 1 year and not later than 5 years	**640,000**	640,000
Later than 5 years	**640,000**	794,100
Total	**1,444,100**	1,588,200

	2 April 2016 £	28 March 2015 £
Other		
Not later than 1 year	**92,491**	85,605
Later than 1 year and not later than 5 years	**166,261**	248,689
Total	**258,752**	334,294

27. Related party transactions

The total remuneration for key management personnel for the year, including directors, totalled £607,212 (2015 - £483,532).

During the period transactions took place with GIL Investments Limited, a company that is controlled by the David Grove Discretionary Will Trust which is a shareholder of VIP-Polymers Limited. VIP-Polymers Limited received services for £71,000 (2015 - £71,000). At 2 April 2016 £283 (2015 - £8,237) was due to GIL Investments Limited, this balance is shown within trade creditors.

During the year transactions took place with VIP-Polymers GmbH, a wholly owned subsidiary. The company made sales to VIP-Polymers GmbH of £99,890 (2015 - £70,801). At 2 April 2016 £13,949 (2015 - £26,322) was due from VIP-Polymers GmbH, this balance is shown within trade debtors.

During the year the company received management charges of £10,000 (2015 - £25,000) from Duvalco UK Limited. Duvalco UK Limited is an entity in which the company has acquired a 50% interest, on a joint venture basis. There were no outstanding balances between the companies at the year end.

During the year the company purchased goods for £27,138 (2015 - £nil) from VIP-Polymers PTE. Limited. VIP-Polymers PTE. Limited is an entity in which the company has acquired a 50% interest, on a joint venture basis. There were no outstanding trading balances between the companies at the year end. The loans owing to the company from VIP-Polymers PTE. Limited amounted to £259,306 (2015 - £187,306) as disclosed in note 14.

28. Controlling party

The Company was under the control of David Grove Discretionary Will Trust during the current and previous period.

29. First time adoption of FRS 102

	Note	As previously stated 30 March 2014 £	Effect of transition 30 March 2014 £	**FRS 102 (as restated) 30 March 2014 £**	As previously stated 28 March 2015 £	Effect of transition 28 March 2015 £	**FRS 102 (as restated) 28 March 2015 £**
Fixed assets		1,353,794	-	**1,353,794**	1,515,356	-	**1,515,356**
Current assets	1	4,220,363	-	**4,220,363**	4,946,222	18,910	**4,965,132**
Creditors: amounts falling due within one year		(2,945,082)	-	**(2,945,082)**	(3,374,921)	-	**(3,374,921)**
Net current assets		1,275,281	-	**1,275,281**	1,571,301	18,910	**1,590,211**
Total assets less current liabilities		2,629,075	-	**2,629,075**	3,086,657	18,910	**3,105,567**
Creditors: amounts falling due after more than one year		(278,033)	-	**(278,033)**	(278,763)	-	**(278,763)**
Net assets		2,351,042	-	**2,351,042**	2,807,894	18,910	**2,826,804**
Capital and reserves		2,351,042	-	**2,351,042**	2,807,894	18,910	**2,826,804**

29. First time adoption of FRS 102 (continued)

	Note	As previously stated 28 March 2015 £	Effect of transition 28 March 2015 £	**FRS 102 (as restated) 28 March 2015 £**
Turnover		13,806,683	-	**13,806,683**
Other operating income	1	25,000	18,910	**43,910**
Raw materials and consumables		(6,367,848)	-	**(6,367,848)**
Other external charges		(3,170,792)	-	**(3,170,792)**
Staff costs		(3,532,949)	-	**(3,532,949)**
Depreciation and amortisation		(260,221)	-	**(260,221)**
Operating profit		499,873	18,910	**518,783**
Interest payable and similar charges		(43,021)	-	**(43,021)**
Profit on ordinary activities after taxation and for the financial period		456,852	18,910	**475,762**

Explanation of changes to previously reported profit and equity:

1 Foreign exchange forward contracts are now recognised at fair value at the end of the year with changes in fair value recognised in the Statement of comprehensive income. Previously foreign exchange contracts were not recognised on the Balance sheet.