

Registered number: 04256307

## VIP-POLYMERS LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 APRIL 2022



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**VIP-POLYMERS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr L R Litwinowicz Mr T Middleton Mr J S D Millar
<b>Company secretary</b>	Mr J S D Millar
<b>Registered number</b>	04256307
<b>Registered office</b>	Unit 5 The Courtyard Timothys Bridge Road Stratford Upon Avon Warwickshire CV37 9NP
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT
<b>Bankers</b>	Barclays Commercial Bank PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN

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**VIP-POLYMERS LIMITED**

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## **VIP-POLYMERS LIMITED**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 2 APRIL 2022**

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#### **Introduction**

An overview of the Company for the period ended 2 April 2022 has been prepared by the directors. This is presented below to cover general business review and strategic outlook.

#### **Principal activity and business review**

The principal activity of the Company during the period was the manufacture and distribution of rubber products, focussed on our globally approved sealing gaskets.

Results during the period reflected a significant improvement on the prior period with sales of £15.7m (2021: £11m) and net profit of £0.1m (2021: loss of £0.8m). These results reflect continued growth within the business on its key product lines and the impact of the restructuring activities taken in the prior period.

Throughout the period the business has experienced volatility in its input costs driven primarily through the impact of COVID 19 and the war in Ukraine. To manage this impact, the business has gone to the market with price increases to ensure that overall margin levels are maintained.

Despite a difficult period within global markets, the business has seen a marked improvement in new business and continues to develop new opportunities across its core product ranges. This strong pipeline will ensure further growth going into the next period.

Facilities and general funding levels have been managed effectively through the period and overall headroom projections remain intact. Major equipment investment has been secured to fund new business growth into the next period. The outlook for the current period (period ending 1 April 2023) is strong and the directors anticipate financial results to improve despite challenging market conditions.

#### **Principal risks and uncertainties**

The main risks arising from the Company's activities are normally 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 invoice discounting facility attracts a variable rate above base and therefore has exposure to movements in the base rate, which has remained stable during the period.

Commodity prices have risen during the period reflecting the impact of Covid-19 and the Ukraine war. This has had a major impact on our input prices including materials, carriage, and energy and this resulted in the business entering the market on several occasions to recover these additional costs by increasing sales prices.

The Company's predominant operating currency is sterling, but there are significant Euro revenues and payments which limits the Company's foreign currency exposure.

#### **Future developments**

In the opinion of the Directors, the Company's strategy will continue to focus on its core business and its service to its existing customers. The investment made during the past two periods has secured a robust platform upon which to build growth from new customers and markets across its key product ranges.

The directors have considered the financial forecasts for the 12 month period to March 2023 and are confident that the business will see a continued improvement in overall performance albeit subject to the availability of raw materials which to date have been attainable, but expectations are that if the Ukraine war continues then supplies will be made available from continents outside of Europe, though with a premium to pay.

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**VIP-POLYMERS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**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 period and actual achievement are continually measured against these. In the current financial period, the Company achieved the following KPI results:

	2022	2021
Sales per Employee:	£130,866	£86,651
Operating Profit %:	0.6%	(7.6)%
Interest Cover:	(0.7)	(8.2)
Stock Turnover:	9.0	7.2

Overall net worth improved to £490,419 during the past period.

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

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**Mr J S D Millar**  
Director

Date:

15 Jun 2022

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## VIP-POLYMERS LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 2 APRIL 2022

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The directors present their report and the financial statements for the period ended 2 April 2022.

#### 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's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 £102,023 (2021 - loss £753,865).

The directors have not recommended a dividend (2021: £nil).

#### Directors

The directors who served during the period were:

Mr L R Litwinowicz  
Mr T Middleton  
Mr J S D Millar

#### Matters covered in the Strategic report

Details concerning the principal activity and business review, principal risks and uncertainties, financial key performance indicators (KPIs) and future developments can be found in the Strategic report.

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**VIP-POLYMERS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

**Auditor**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditor 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.



.....  
**Mr J S D Millar**  
Director

Date:

19 July 2022  
Unit 5 The Courtyard  
Timothys Bridge Road  
Stratford Upon Avon  
Warwickshire  
CV37 9NP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIP-POLYMERS LIMITED**

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**Opinion**

We have audited the financial statements of VIP-Polymers Limited (the 'Company') for the period ended 2 April 2022, 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, 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 2 April 2022 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.

**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 United Kingdom, including the Financial Reporting Council'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 directors' 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.



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**VIP-POLYMERS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIP-POLYMERS LIMITED (CONTINUED)**

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**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 contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion 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 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 Strategic report and the Directors' report have 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 Strategic report or 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.

**Responsibilities of directors**

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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIP-POLYMERS LIMITED (CONTINUED)

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**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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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VIP-POLYMERS LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIP-POLYMERS LIMITED (CONTINUED)

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**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.



Ian Jacobs FCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

Peterborough

Date: 28/7/22

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**VIP-POLYMERS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 2 APRIL 2022**

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	Note	2022 £	2021 £
Turnover	4	15,703,875	11,004,735
Other operating income	5	41,835	518,441
Raw materials and consumables		(7,120,147)	(5,398,530)
Other external charges		(3,811,567)	(2,903,330)
Exceptional other external charges	12	-	(90,583)
Staff costs	8	(4,346,713)	(3,665,489)
Depreciation and amortisation		(380,661)	(305,624)
<b>Operating profit/(loss)</b>	6	<b>86,622</b>	<b>(840,380)</b>
Interest payable and similar expenses	10	(124,663)	(92,317)
<b>Loss before tax</b>		<b>(38,041)</b>	<b>(932,697)</b>
Tax on loss	11	140,064	178,832
<b>Profit/(loss) for the financial period</b>		<b>102,023</b>	<b>(753,865)</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

All amounts related to continuing operations.

The notes on pages 14 to 31 form part of these financial statements.

**VIP-POLYMERS LIMITED**  
**REGISTERED NUMBER: 04256307**

**BALANCE SHEET**  
**AS AT 2 APRIL 2022**

	Note	2 April 2022 £	27 March 2021 £
<b>Fixed assets</b>			
Tangible assets	13	1,669,861	1,494,852
Investments	14	81,721	81,721
		<u>1,751,582</u>	<u>1,576,573</u>
<b>Current assets</b>			
Stocks	15	2,222,788	1,434,567
Debtors: amounts falling due within one year	16	3,557,120	3,512,373
Cash at bank and in hand	17	404,127	348,112
		<u>6,184,035</u>	<u>5,295,052</u>
Creditors: amounts falling due within one year	18	(6,646,168)	(5,655,509)
<b>Net current liabilities</b>		<u>(462,133)</u>	<u>(360,457)</u>
<b>Total assets less current liabilities</b>		<u>1,289,449</u>	<u>1,216,116</u>
Creditors: amounts falling due after more than one year	19	(799,030)	(827,720)
<b>Net assets</b>		<u>490,419</u>	<u>388,396</u>
<b>Capital and reserves</b>			
Called up share capital	22	104,446	104,446
Profit and loss account	23	385,973	283,950
		<u>490,419</u>	<u>388,396</u>

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

Date: 19 July 2022

The notes on pages 14 to 31 form part of these financial statements.

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**VIP-POLYMERS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 2 APRIL 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 29 March 2020</b>	<b>104,446</b>	<b>1,037,815</b>	<b>1,142,261</b>
Loss for the period	-	(753,865)	(753,865)
<b>At 27 March 2021</b>	<b>104,446</b>	<b>283,950</b>	<b>388,396</b>
Profit for the period	-	102,023	102,023
<b>At 2 April 2022</b>	<b>104,446</b>	<b>385,973</b>	<b>490,419</b>

The notes on pages 14 to 31 form part of these financial statements.

**VIP-POLYMERS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 2 APRIL 2022**

	2 April 2022 £	27 March 2021 £
<b>Cash flows from operating activities</b>		
Profit / (Loss) for the financial period	102,023	(753,865)
<b>Adjustments for:</b>		
Depreciation of tangible assets	380,661	305,624
Interest paid	124,663	92,317
Taxation charge	(140,064)	(178,832)
(Increase)/decrease in stocks	(788,221)	343,814
Increase in debtors	(83,515)	(425,719)
Increase in creditors	325,935	388,330
Corporation tax received	178,832	174,454
<b>Net cash generated from operating activities</b>	<b>100,314</b>	<b>(53,877)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(315,746)	(439,770)
<b>Net cash from investing activities</b>	<b>(315,746)</b>	<b>(439,770)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(363,627)	(121,209)
Other new loans	400,000	1,000,000
Repayment of/new finance leases	(258,752)	(137,934)
Movements on invoice discounting	618,489	(96,386)
Interest paid	(89,005)	(50,637)
Hire purchase interest paid	(35,658)	(41,680)
<b>Net cash used in financing activities</b>	<b>271,447</b>	<b>552,154</b>
<b>Net increase in cash and cash equivalents</b>	<b>56,015</b>	<b>58,507</b>
Cash and cash equivalents at beginning of period	348,112	289,605
<b>Cash and cash equivalents at the end of period</b>	<b>404,127</b>	<b>348,112</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	404,127	348,112
	<b>404,127</b>	<b>348,112</b>

The notes on pages 14 to 31 form part of these financial statements.

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**VIP-POLYMERS LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 2 APRIL 2022**

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	At 27 March 2021 £	Cash flows £	At 2 April 2022 £
Cash at bank and in hand	348,112	56,015	404,127
Debt due after 1 year	(515,163)	70,295	(444,868)
Debt due within 1 year	(573,621)	(398,397)	(972,018)
Finance leases	(550,058)	18,828	(531,230)
	<u>(1,290,730)</u>	<u>(253,259)</u>	<u>(1,543,989)</u>

The notes on pages 14 to 31 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**1. General information**

VIP-Polymers Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act.

The registered number and 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.

The functional and presentational currency of the company is pounds sterling (£) and rounded to the nearest £.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis.

After making the appropriate enquiries, the directors have formed a judgment, at the time of approving the financial statements, that adequate resources will be available for it to continue its operations. In forming this judgment, the directors have prepared financial forecasts, reviewed adequacy of banking facilities and compliance with banking covenants.

On this basis, the directors consider that the company will operate within their agreed facilities and consequently consider it is appropriate to prepare the financial statements on a going concern basis.

Whilst COVID 19 did impact the business during the earlier months of the period, trading has recovered and the outlook for the business remains positive. The directors no longer consider COVID 19 to be a major risk to the business, however, will continue to closely monitor its supply chain and markets throughout the next period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**2.6 Leased assets: the Company as lessee**

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

**2.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.8 Finance costs**

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

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.10 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**2.11 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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.

**2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**2.13 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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 in profit or loss.

**2.14 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.15 Research and development**

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

**2.16 Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

**2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**2.18 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.

**2.19 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.

**2.20 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.

**2.21 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**2. Accounting policies (continued)**

**2.21 Financial instruments (continued)**

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 of the recoverable amount, 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.

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

The following are the critical estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Key source of estimation uncertainty - Determining residual values and useful economic lives of property, plant and equipment**

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is applied by management when determining the residual values for plant, property and equipment. When determining the residual value, management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Key source of estimation uncertainty - Recoverability of receivables**

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the aging of the receivables.

**Key source of estimation uncertainty - Stock obsolescence**

The Company establishes a provision for obsolescent stock. When assessing the stock value, the directors consider factors such as the nature, condition and aging of the stock, as well as past experience of saleability.

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**4. Turnover**

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

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	9,622,221	7,661,834
Rest of the world	6,081,654	3,342,901
	<u>15,703,875</u>	<u>11,004,735</u>

**5. Other operating income**

	2022 £	2021 £
Other operating income	32,948	46,500
Government grants receivable	8,887	471,941
	<u>41,835</u>	<u>518,441</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	16,414	17,744
Depreciation of tangible fixed assets	125,840	107,869
Impairment of tangible fixed assets	254,821	197,755
Exchange differences	17,889	24,795
Defined contribution pension cost	122,174	107,663
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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**7. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>21,105</u>	<u>19,855</u>
<b>Fees payable to the Company's auditor in respect of:</b>		
Taxation compliance services	1,900	2,500
Other accounting and taxation services	6,200	7,850
	<u>8,100</u>	<u>10,350</u>

**8. Employees**

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

	2022 £	2021 £
Wages and salaries	3,855,328	3,244,360
Social security costs	369,211	313,466
Cost of defined contribution scheme	122,174	107,663
	<u>4,346,713</u>	<u>3,665,489</u>

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

	2022 No.	2021 No.
Production staff	104	104
Administrative	23	23
	<u>127</u>	<u>127</u>

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**9. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	129,869	107,500
Company contributions to defined contribution pension schemes	10,708	14,900
	<u>140,577</u>	<u>122,400</u>

During the period retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

**10. Interest payable and similar expenses**

	2022 £	2021 £
Bank interest payable	89,005	50,637
Finance leases and hire purchase contracts	35,658	41,680
	<u>124,663</u>	<u>92,317</u>

**11. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	<u>(140,064)</u>	<u>(178,832)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(140,064)</u>	<u>(178,832)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**11. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(38,041)</u>	<u>(932,697)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(7,228)	(177,212)
Effects of:		
Expenses not deductible for tax purposes	605	351
Capital allowances for period in excess of depreciation	(52,335)	(59,400)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(81,106)	(76,949)
Unrelieved tax losses carried forward	-	134,378
<b>Total tax charge for the period</b>	<u><b>(140,064)</b></u>	<u><b>(178,832)</b></u>

**Factors that may affect future tax charges**

As a result of carried forward taxable trading losses of £2,305,304 (2021: £2,340,293) and capital losses of £172,131 (2021: £172,131), the Company has an unrecognised deferred tax asset at the period end as it is not probable that there will be future taxable profits against which these losses can be utilised. The value of the trading losses on a 19% (2021: 19%) tax rate is £438,008 (2021: £444,656), of which £277,092 (2021: £163,750) has been recognised against timing differences.

**12. Exceptional items**

	2022 £	2021 £
Redundancy costs	<u>-</u>	<u>90,583</u>

VIP-POLYMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>					
At 27 March 2021	4,902,713	4,394	930,721	630,047	6,467,875
Additions	385,149	-	163,736	6,785	555,670
At 2 April 2022	5,287,862	4,394	1,094,457	636,832	7,023,545
<b>Depreciation</b>					
At 27 March 2021	4,024,155	4,394	576,688	367,786	4,973,023
Charge for the period on owned assets	185,985	-	103,587	91,089	380,661
At 2 April 2022	4,210,140	4,394	680,275	458,875	5,353,684
<b>Net book value</b>					
At 2 April 2022	1,077,722	-	414,182	177,957	1,669,861
At 27 March 2021	878,558	-	354,033	262,261	1,494,852

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

	2 April 2022 £	27 March 2021 £
Tangible fixed assets	827,359	938,522
	<u>827,359</u>	<u>938,522</u>

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**14. Fixed asset investments**

	Investment in joint ventures £	Loans to joint ventures £	Total £
<b>Cost</b>			
At 27 March 2021	52,663	29,058	81,721
At 2 April 2022	<u>52,663</u>	<u>29,058</u>	<u>81,721</u>
<b>Net book value</b>			
At 2 April 2022	<u>52,663</u>	<u>29,058</u>	<u>81,721</u>
At 27 March 2021	<u>52,663</u>	<u>29,058</u>	<u>81,721</u>

The Company has two joint venture arrangements in Duvalco UK Limited and VIP-Polymers PTE Limited, and these are being recognised at historic cost less impairment.

**15. Stocks**

	2 April 2022 £	27 March 2021 £
Raw materials and consumables	1,051,595	543,941
Work in progress	600,169	418,278
Finished goods and goods for resale	571,024	472,348
	<u>2,222,788</u>	<u>1,434,567</u>

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**16. Debtors**

	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
Trade debtors	<b>2,936,510</b>	2,892,390
Other debtors	<b>39,870</b>	7,171
Prepayments and accrued income	<b>440,676</b>	433,980
Tax recoverable	<b>140,064</b>	178,832
	<b><u>3,557,120</u></b>	<b><u>3,512,373</u></b>

Included within trade debtors are amounts totalling £2,947,614 (2021: £2,708,195) that are subject to an invoice discounting arrangement. The amount received against those debtors is included within creditors amounts falling due within one year.

**17. Cash and cash equivalents**

	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
Cash at bank and in hand	<b><u>404,127</u></b>	<b><u>348,112</u></b>

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**18. Creditors: Amounts falling due within one year**

	<b>2 April 2022</b>	<b>27 March 2021</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>501,723</b>	209,993
Other loans	<b>470,295</b>	363,628
Trade creditors	<b>2,330,842</b>	1,967,861
Other taxation and social security	<b>79,906</b>	340,531
Obligations under finance lease and hire purchase contracts	<b>177,068</b>	237,501
Proceeds of factored debts	<b>2,452,756</b>	2,125,697
Other creditors	<b>303,900</b>	225,445
Accruals and deferred income	<b>329,678</b>	184,853
	<b>6,646,168</b>	<b>5,655,509</b>

The bank loans and proceeds of factored debts are secured through a debenture on the assets of the Company. The bank loans and proceeds of factored debts attract an interest rate of 3.5% and 2.5% respectively over the Bank of England base rate, calculated on the amount of facility utilised.

The other loans which relate to RLS and CBILS, attract an interest rate of 6% and 5% respectively. There are no security on these loans.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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

	<b>2 April 2022</b>	<b>27 March 2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b>444,868</b>	515,163
Obligations under finance leases and hire purchase contracts	<b>354,162</b>	312,557
	<b>799,030</b>	<b>827,720</b>

The other loans which relate to RLS and CBILS, attract an interest rate of 6% and 5% respectively. There are no security on these loans.

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**20. Loans**

Analysis of the maturity of loans is given below:

	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
<b>Amounts falling due within 1 year</b>		
Bank loans	<b>501,723</b>	209,993
Other loans	<b>470,295</b>	363,628
	<b>972,018</b>	573,621
<b>Amounts falling due 1-2 years</b>		
Other loans	<b>258,202</b>	363,628
	<b>258,202</b>	363,628
<b>Amounts falling due 2-5 years</b>		
Other loans	<b>186,666</b>	151,535
	<b>186,666</b>	151,535
	<b>1,416,886</b>	1,088,784

**21. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
Within one year	<b>177,068</b>	237,501
Between one and five years	<b>354,162</b>	312,557
	<b>531,230</b>	550,058



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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**22. Share capital**

	2 April 2022 £	27 March 2021 £
<b>Allotted, called up and fully paid</b>		
64,800 (2021 - 64,800) Ordinary shares of £1.00 each	64,800	64,800
35,200 (2021 - 35,200) Ordinary G shares of £1.00 each	35,200	35,200
4,446 (2021 - 4,446) Ordinary B shares of £1.00 each	4,446	4,446
	<hr/>	<hr/>
	<b>104,446</b>	<b>104,446</b>
	<hr/>	<hr/>

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

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

The Ordinary B shares confer a right of a capital distribution (including on a winding up) to the extent of 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****Profit and loss account**

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

**24. Capital commitments**

The Company is committed to capital expenditure at the year end of €836,097 (2021: €nil) which are going to be financed under a finance lease.

**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 £122,174 (2021: £107,663).

As at the Balance sheet date there were outstanding contributions payable to the fund totalling £21,449 (2021: £18,263). These are included within other creditors falling due within one year.

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**VIP-POLYMERS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 APRIL 2022**

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**26. Commitments under operating leases**

At 2 April 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
<b>Land and buildings</b>		
Not later than 1 year	<b>210,000</b>	175,000
Later than 1 year and not later than 5 years	<b>840,000</b>	510,417
Later than 5 years	<b>612,500</b>	-
	<b><u>1,662,500</u></b>	<b><u>685,417</u></b>
	<b>2 April 2022 £</b>	<b>27 March 2021 £</b>
<b>Other operating leases</b>		
Not later than 1 year	<b>104,307</b>	102,071
Later than 1 year and not later than 5 years	<b>197,425</b>	211,225
	<b><u>301,732</u></b>	<b><u>313,296</u></b>

**27. Related party transactions**

The total remuneration for key management personnel for the period, including directors, totalled £627,459 (2021: £508,839).

During the period transactions took place with GIL Investments Limited, a company that shares directors with VIP-Polymers Limited. VIP-Polymers Limited received management services for £77,000 (2021: £77,000). At the balance sheet date, included in trade creditors is a balance of £nil (2021: £26,890) owed to GIL Investments Limited.

During the period the Company received management charges of £32,948 (2021: £46,500) from Duvalco UK Limited, an entity in which the Company has a 50% interest on a joint venture basis. There were no outstanding balances between the companies at the current or prior period end.

During the period, loans existed between the Company and VIP-Polymers PTE. Limited, an entity in which the Company has a 50% interest on a joint venture basis. The loans owing to the Company from VIP Polymers PTE. Limited amounted to £29,058 (2021: £29,058) and the balances are included within fixed asset investments. No interest has been charged on these loans.

**28. Controlling party**

In the Directors' opinion, there was no controlling party during the current or preceding period.