

**POLYBLEND UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**POLYBLEND UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D L Barrow D S Hall S G Cantley (appointed 30 March 2022) J Moreton (appointed 30 March 2022) S O E Reid (appointed 26 September 2022) S E Schmidt-Chiari (appointed 30 March 2022)
<b>Company secretary</b>	D S Hall
<b>Registered number</b>	06825328
<b>Registered office</b>	3 Everite Road Widnes Cheshire WA8 8PT
<b>Independent auditor</b>	Langtons Professional Services Limited Chartered Accountants & Statutory Auditor The Plaza 100 Old Hall Street Liverpool L3 9QJ

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POLYBLEND UK LIMITED

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CONTENTS

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	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditor's report</b>	4 - 7
<b>Statement of comprehensive income</b>	8
<b>Statement of financial position</b>	9
<b>Statement of changes in equity</b>	10
<b>Notes to the financial statements</b>	11 - 28

**STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**Introduction**

The directors present their strategic report for the 15-month period ended 31 December 2022. Please note Polyblend Limited's financial year will henceforth be a calendar year in line with Longacre Group.

**Business review**

The business executed a successful change of ownership process during March 2022 with the previous private shareholders relinquishing control to Longacre Group, a UK based industrial holding company. Post-acquisition management remained the same with the addition of a new Commercial Manager and Chief Executive Officer during the period.

Margins throughout the period have been managed very closely with the advent of the Ukraine war in February 2022 driving rapid inflationary cost pressures. Raw materials many of which derive from Natural Gas have seen shortages and price volatility during the period successfully managed with a cautious stock holding position to protect customers from supply chain risk. Early period sales volume declines have stabilised and during Q4 2022 evidence began to emerge of raw material price stability. The business has invested in significant manufacturing capacity in recent years and remains very well placed to improve its market position in its core PVC Plastisol market. The specialty distribution business performed in line with expectations.

**Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competitors within the sector, exchange rate movements, and the quality and availability of raw materials.

**Financial key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 21 April 2023 and signed on its behalf.

**S O E Reid**

Director

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POLYBLEND UK LIMITED

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the period ended 31 December 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Principal activity**

The principal activity of the company is the manufacture and distribution of liquid polymers, polymer additives and resins.

**Results and dividends**

The profit for the period, after taxation, amounted to £1,421,751 (2021 - £1,688,523).

The directors recommended and paid dividends of £1,297,478 during the year (2021 - £1,492,440).

**Directors**

The directors who served during the period were:

D L Barrow  
D S Hall  
M W Stewart (resigned 31 March 2023)  
S G Cantley (appointed 30 March 2022)  
J Moreton (appointed 30 March 2022)  
S O E Reid (appointed 26 September 2022)  
S E Schmidt-Chiari (appointed 30 March 2022)

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**Future developments**

The directors intend to develop the existing activities of the company.

**Matters covered in the Strategic Report**

The strategic report covers the business review, key performance indicators and principal risk and uncertainties.

**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, Langtons Professional Services Limited 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 on 21 April 2023 and signed on its behalf.

**S O E Reid**

Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYBLEND UK LIMITED**

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**Opinion**

We have audited the financial statements of Polyblend UK Limited (the 'Company') for the period ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, 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 31 December 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYBLEND UK 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 2, 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 POLYBLEND UK 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:

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant tax compliance regulations in the UK and the EU General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making enquiries of management. Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.
- Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved: enquiries of management; and journal entry testing, with a focus on manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings. Where the risk was considered to be higher, including areas impacting key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above, the assessment of items identified by management as non-recurring and testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYBLEND UK 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.

Andrew McCall (Senior statutory auditor)

for and on behalf of

**Langtons Professional Services Limited**

Chartered Accountants

Statutory Auditor

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

21 April 2023

POLYBLEND UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Turnover	4	16,937,847	12,494,159
Cost of sales		(13,563,013)	(9,618,658)
<b>Gross profit</b>		<b>3,374,834</b>	<b>2,875,501</b>
Administrative expenses		(1,594,099)	(796,666)
Other operating income	5	-	12,680
<b>Operating profit</b>	6	<b>1,780,735</b>	<b>2,091,515</b>
Interest receivable and similar income	10	1,130	1,446
Interest payable and similar expenses	11	(21,139)	(386)
<b>Profit before tax</b>		<b>1,760,726</b>	<b>2,092,575</b>
Tax on profit	12	(338,975)	(404,052)
<b>Profit for the financial period</b>		<b>1,421,751</b>	<b>1,688,523</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).

The notes on pages 11 to 28 form part of these financial statements.

**POLYBLEND UK LIMITED**  
**REGISTERED NUMBER: 06825328**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	31 December 2022 £	30 September 2021 £
<b>Fixed assets</b>			
Tangible assets	14	714,271	743,528
		<u>714,271</u>	<u>743,528</u>
<b>Current assets</b>			
Stocks	15	1,351,256	1,628,296
Debtors: amounts falling due within one year	16	3,799,095	2,310,154
Cash at bank and in hand	17	781,605	2,221,633
		<u>5,931,956</u>	<u>6,160,083</u>
Creditors: amounts falling due within one year	18	(1,619,278)	(2,564,879)
<b>Net current assets</b>		<u>4,312,678</u>	<u>3,595,204</u>
<b>Total assets less current liabilities</b>		<u>5,026,949</u>	<u>4,338,732</u>
Creditors: amounts falling due after more than one year	19	(574,169)	-
<b>Provisions for liabilities</b>			
Deferred tax	22	(48,787)	(59,012)
		<u>(48,787)</u>	<u>(59,012)</u>
<b>Net assets</b>		<u><u>4,403,993</u></u>	<u><u>4,279,720</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	49,998	49,998
Profit and loss account	24	4,353,995	4,229,722
		<u>4,403,993</u>	<u>4,279,720</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2023.

**S O E Reid**  
Director

The notes on pages 11 to 28 form part of these financial statements.

POLYBLEND UK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 October 2020</b>	49,998	4,033,639	4,083,637
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,688,523	1,688,523
<b>Total comprehensive income for the year</b>	-	1,688,523	1,688,523
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(1,492,440)	(1,492,440)
<b>Total transactions with owners</b>	-	(1,492,440)	(1,492,440)
<b>At 1 October 2021</b>	49,998	4,229,722	4,279,720
<b>Comprehensive income for the period</b>			
Profit for the period	-	1,421,751	1,421,751
<b>Total comprehensive income for the period</b>	-	1,421,751	1,421,751
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(1,297,478)	(1,297,478)
<b>Total transactions with owners</b>	-	(1,297,478)	(1,297,478)
<b>At 31 December 2022</b>	<u>49,998</u>	<u>4,353,995</u>	<u>4,403,993</u>

The notes on pages 11 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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**1. General information**

The entity is a private company limited by shares, which is incorporated under the Companies Act 2006 and registered in England and Wales. The registered office is 3 Everite Road, Widnes, Cheshire, WA8 8PT and the company number is 06825328.

These financial statements present information about the company as an individual undertaking. The principal activity of the company is the manufacture and distribution of liquid polymers, polymer additives and resins.

**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 presentation currency of these financial statements is £ sterling; the financial statements are rounded to the nearest £.

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**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 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.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (continued)**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%	straight line
S/Term Leasehold Property	-	20%	straight line
Plant & machinery	-	10%	straight line
Motor vehicles	-	20%	straight line
Office equipment	-	20%	straight line

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.

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

**2.6 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.

**2.7 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.

**2.8 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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.8 Financial instruments (continued)**

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.

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 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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

**2.9 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.

**2.10 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.

**2.11 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

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

**2.14 Pensions**

**Defined contribution pension plan**

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

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

**2.15 Holiday pay accrual**

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

**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 Borrowing costs**

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

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

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

The directors have made judgments in estimating useful lives of fixed assets, along with estimates for provision of slow moving stock and bad debts.

4. Turnover

The whole of the turnover is attributable to the principal business activity.

Analysis of turnover by country of destination:

	<b>Period ended</b> <b>31 December</b> <b>2022</b> £	<i>Year ended</i> <i>30 September</i> <i>2021</i> £
United Kingdom	<b>11,575,115</b>	8,322,769
Rest of Europe	<b>5,008,358</b>	3,780,109
Rest of the world	<b>354,374</b>	391,281
	<b><u>16,937,847</u></b>	<u>12,494,159</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

5. Other operating income

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Government grants receivable	-	12,680
	<u>-</u>	<u>12,680</u>

6. Operating profit

The operating profit is stated after charging:

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Exchange differences	(53,053)	13,104
Other operating lease rentals	<u>91,433</u>	<u>71,781</u>

7. Auditor's remuneration

During the period, the Company obtained the following services from the Company's auditor:

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	10,500	10,500

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

8. Employees

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

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Wages and salaries	1,291,404	750,144
Social security costs	139,814	73,109
Cost of defined contribution scheme	94,494	69,429
	<u>1,525,712</u>	<u>892,682</u>

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

	Period ended 31 December 2022 No.	Year ended 30 September 2021 No.
Production	20	20
Administration	5	4
Directors	4	3
	<u>29</u>	<u>27</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

9. Directors' remuneration

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Directors' emoluments	364,264	45,783
Company contributions to defined contribution pension schemes	11,100	12,000
	<u>375,364</u>	<u>57,783</u>

During the period retirement benefits were accruing to 4 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £111,266 (2021 - £15,523).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,000 (2021 - £NIL).

10. Interest receivable

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Other interest receivable	1,130	1,446
	<u>1,130</u>	<u>1,446</u>

11. Interest payable and similar expenses

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Mortgage interest payable	21,139	-
Other interest payable	-	386
	<u>21,139</u>	<u>386</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

12. Taxation

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	273,783	406,895
Adjustments in respect of previous periods	(547)	(9,649)
Group taxation relief	75,964	-
	<u>349,200</u>	<u>397,246</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7,771)	6,806
Changes to tax rates	(2,454)	-
	<u>338,975</u>	<u>404,052</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>338,975</u></u>	<u><u>404,052</u></u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

12. Taxation (continued)

Factors affecting tax charge for the period/year

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

	Period ended 31 December 2022 £	Year ended 30 September 2021 £
Profit on ordinary activities before tax	<u>1,760,726</u>	<u>2,092,575</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	334,538	397,589
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,830	887
Fixed asset differences	(392)	1,062
Remeasurement of deferred tax for changes in tax rates	(2,454)	14,162
Adjustments to tax charge in respect of prior periods	(547)	(9,648)
<b>Total tax charge for the period/year</b>	<u>338,975</u>	<u>404,052</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	31 December 2022 £	30 September 2021 £
On Ordinary shares	1,297,478	1,492,440
	<u>1,297,478</u>	<u>1,492,440</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

14. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2021	632,145	502,824	3,600	124,204	1,262,773
Additions	-	21,265	-	12,027	33,292
At 31 December 2022	<u>632,145</u>	<u>524,089</u>	<u>3,600</u>	<u>136,231</u>	<u>1,296,065</u>
<b>Depreciation</b>					
At 1 October 2021	71,532	329,525	2,880	115,308	519,245
Charge for the period on owned assets	8,129	45,133	720	8,567	62,549
At 31 December 2022	<u>79,661</u>	<u>374,658</u>	<u>3,600</u>	<u>123,875</u>	<u>581,794</u>
<b>Net book value</b>					
At 31 December 2022	<u>552,484</u>	<u>149,431</u>	<u>-</u>	<u>12,356</u>	<u>714,271</u>
<i>At 30 September 2021</i>	<u>560,613</u>	<u>173,299</u>	<u>720</u>	<u>8,896</u>	<u>743,528</u>

Included in land and buildings is freehold land at a cost of £307,000 which is not depreciated.

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

15. Stocks

	31 December 2022 £	30 September 2021 £
Raw materials and consumables	1,117,267	1,549,614
Finished goods and goods for resale	233,989	78,682
	<u>1,351,256</u>	<u>1,628,296</u>

16. Debtors

	31 December 2022 £	30 September 2021 £
Trade debtors	2,076,791	2,189,050
Amounts owed by group undertakings	1,428,562	-
Other debtors	198,752	-
Prepayments and accrued income	94,990	121,104
	<u>3,799,095</u>	<u>2,310,154</u>

17. Cash and cash equivalents

	31 December 2022 £	30 September 2021 £
Cash at bank and in hand	781,605	2,221,633
	<u>781,605</u>	<u>2,221,633</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

18. Creditors: Amounts falling due within one year

	31 December 2022 £	30 September 2021 £
Bank loans	43,332	-
Trade creditors	810,822	1,808,997
Corporation tax	139,539	210,789
Other taxation and social security	296,573	268,729
Other creditors	42,265	75,703
Accruals and deferred income	286,747	200,661
	<u>1,619,278</u>	<u>2,564,879</u>

Bank loans are secured by a fixed and floating charge on the assets of the company.

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

	31 December 2022 £	30 September 2021 £
Bank loans	574,169	-
	<u>574,169</u>	<u>-</u>

Bank loans are secured by a fixed and floating charge on the assets of the company.

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POLYBLEND UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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20. Loans

Analysis of the maturity of loans is given below:

	31 December 2022 £	30 September 2021 £
<b>Amounts falling due within one year</b>		
Bank loans	43,332	-
	<hr/>	<hr/>
	43,332	-
	<hr/>	<hr/>
<b>Amounts falling due 1-2 years</b>		
Bank loans	43,332	-
	<hr/>	<hr/>
	43,332	-
	<hr/>	<hr/>
<b>Amounts falling due 2-5 years</b>		
Bank loans	530,837	-
	<hr/>	<hr/>
	530,837	-
	<hr/>	<hr/>
	<hr/>	<hr/>
	<b>617,501</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

21. Financial instruments

	31 December 2022 £	30 September 2021 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	781,605	2,221,633
Financial assets that are debt instruments measured at amortised cost	3,704,105	2,189,050
	<u>4,485,710</u>	<u>4,410,683</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,752,465)</u>	<u>(2,080,872)</u>

Financial assets measured at fair value through profit or loss comprises of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprises of trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprises of accruals, trade and other creditors and bank loans.

22. Deferred taxation

	2022 £
At beginning of year	(59,012)
Charged to the profit or loss	10,225
<b>At end of year</b>	<u>(48,787)</u>

POLYBLEND UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	31 December 2022 £	30 September 2021 £
Accelerated capital allowances	(50,004)	(59,012)
Short term timing differences	1,217	-
	<u>(48,787)</u>	<u>(59,012)</u>

Based on the budgeted excess of depreciation over capital allowances the company anticipates a deferred taxation reversal of approximately £8,800 in the next twelve months, subject to the level of qualifying capital expenditure incurred in that period.

23. Share capital

	31 December 2022 £	30 September 2021 £
<b>Allotted, called up and fully paid</b>		
49,998 (2021 - 49,998) Ordinary shares of £1.00 each	<u>49,998</u>	<u>49,998</u>

Each share carries one vote.

24. Reserves

**Profit & loss account**

The profit and loss account represents the sum of all profits and losses to date, less dividends paid.

25. Contingent liabilities

The company has entered into a cross guarantee with its immediate parent to guarantee certain liabilities of the immediate parent. At the year end, the potential liabilities of these guarantees amount to £4,700,600.

26. Pension commitments

The Company makes contributions to defined contribution (money purchase) personal pension schemes for its directors and employees. 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 £94,494 (2021 - £69,429). Contributions totalling £4,871 (2021 - £4,344) were payable to the funds at the reporting date and are included in creditors.

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POLYBLEND UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2022

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**27. Commitments under operating leases**

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

	<b>31 December 2022</b>	<i>30 September 2021</i>
	£	£
Not later than 1 year	<b>80,086</b>	73,547
Later than 1 year and not later than 5 years	<b>37,913</b>	45,194
	<u><b>117,999</b></u>	<u>118,741</u>

**28. Related party transactions**

	<b>31 December 2022</b>	<i>30 September 2021</i>
	£	£
Amounts owed from Dycem Limited	<b>111,859</b>	-
Sales to Dycem Limited	<b>568,824</b>	-
	<u><b>568,824</b></u>	<u>-</u>

Dycem Limited is a company under common control.

The company has taken advantage of the exemption conferred under FRS102 not to disclose transactions with other 100% group companies.

**29. Controlling party**

Until 30 March 2022, the company was controlled by M W Stewart, D S Hall and D L Barrow.

From 30 March 2022, the company is a wholly owned subsidiary of Longacre Hawk Bidco Limited. The ultimate parent entity is Longacre Group Holdings Limited.

The controlling parties are I H Abrahams, S E Schmidt-Chiari and G E Nicholson.

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