

Caligen Foam Limited

Annual report and unaudited financial statements
for the year ended 31 December 2019

Registered number 800311



Caligen Foam Limited

Annual report and unaudited financial statements

for the year ended 31 December 2019

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Caligen Foam Limited

Directors and advisers for the year ended 31 December 2019

Directors

Mr D O'Riordan

Mr I W Robb

Mr S P Roby

Mr M O Shafi Khan

Secretary

Vita Industrial (UK) Limited

Registered office

Oldham Road

Middleton

Manchester

M24 2DB

Registered number

800311

Caligen Foam Limited

Strategic report for the year ended 31 December 2019

The directors present their Strategic report on the Company for the year ended 31 December 2019.

Principal activities

The Company has not traded during the year and is not expected to trade for the foreseeable future.

Business review

The result for the financial year was £nil (2018: £nil).

At the year end the Company had net assets of £2,042,380 (2018: £2,042,380).

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with Group (Vita (Lux III) S.à.r.l. and its subsidiary companies) policies.

Principal risks and uncertainties

Disclosures in respect of principal risks and uncertainties have not been provided, as the Company no longer trades.

Financial risk management

The Group, of which the Company is a member, through its treasury activities seeks to reduce financial risk, ensure sufficient liquidity and manage surplus cash. The treasury department operates within parameters approved and monitored by the Group Board of Directors and restricts transactions to banks that have a defined minimum credit rating.

The treasury department does not take speculative financial positions and makes limited use of derivative financial instruments. The treasury department advises operational management on all financial risks and executes all major transactions in financial instruments. In the UK, the treasury department arranges all foreign currency forward contracts to hedge transactional exposures and ensures exposures are fully hedged as they arise and, where appropriate, hedges future exposures up to six months forward. In addition, the treasury department manages borrowings. The Company had no foreign currency forward contracts at either year end.

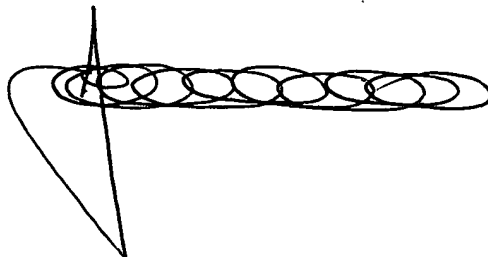
The Company seeks to reduce credit risk through the use of credit insurance and pro-active credit control procedures.

Key Performance Indicators ("KPIs")

An analysis of the performance of the Company using KPIs has not been provided, as the Company no longer trades.

On behalf of the board

Mr I W Robb
Director
12 June 2020

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, followed by a large, sweeping flourish that curves downwards and to the left.

Caligen Foam Limited

Directors' report for the year ended 31 December 2019

The directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2019.

Political and charitable contributions

No political or charitable donations were made by the Company during the current or prior year.

Dividends

The directors have not paid and do not propose a dividend in respect of the year ended 31 December 2019 (2018: £nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Mr D O'Riordan

Mr I W Robb (appointed 7 January 2019)

Mr S P Roby (appointed 12 April 2019)

Mr M O Shafi Khan (appointed 12 April 2019)

Mr J Skinner (resigned 6 April 2019)

Financial risk management

Financial risk management is described in the Strategic report on page 2.

Going concern

The financial statements are prepared on a going concern basis. The Company is a subsidiary company of the Group. The ability of the Company to continue as a going concern is partly dependent on the financial performance of the Group, as the Company has a loan receivable balance from a fellow Group undertaking. At 31 December 2019, the Group had net cash of £34,914,760 (2018: £25,298,988) and reported strong EBITDA growth and cash generation in the year ended 31 December 2019. Subsequent to the balance sheet date, the Group also made a draw down on its super senior committed RCF amounting to £26,002,029. This was done to maximise operational flexibility, in light of the COVID-19 pandemic, with the cash held in accounts across different operating jurisdictions at the date of signing the financial statements.

As a result of the COVID-19 pandemic, Europe, where most of the Group's operations are located, has seen increased uncertainty and market turmoil. Widespread population movement control and disruption to normal economic activity has begun to adversely impact the Group's business operations. Whilst the Group has more than sufficient liquidity headroom to manage its normal day-to-day business, management consider that increased disruptions from the COVID-19 pandemic including enforced site shutdowns, demand reduction, supply chain interruption, widespread customer defaults and extended delays in collecting receivables, could cause the Group to exceed its funding facilities within the next 12 months and therefore may affect the Group and as a result, due to its dependence on the Group's financial performance, the Company's ability to continue as a going concern.

Management have undertaken detailed scenario analysis on a Group basis to model a base case scenario and a downside scenario. Under the base case, the Group is forecast to have sufficient cash and headroom within existing facilities to meet its obligations as they fall due without the need for additional funding or financial support. However, under the downside scenario, the Group is forecast to have a shortfall of available cash between May and September 2020, despite targeted spend actions such as operating cost reduction and reduced discretionary spend, including on capital expenditure projects.

The key management assumptions in the downside scenario are:

- Enforced shut down of all operating plants for a full month;
- Significant reduction in demand in the months following the restart of each site, resulting in revenue shortfalls versus budget for the remainder of the financial year ending 31 December 2020;
- A significant increase in terms taken by customers to pay credit invoices;
- Actions to materially flex operating costs and reduce capital spend across the financial year ended 31 December 2020; and
- Restricted ability to flex supplier payment terms.

Management have already applied for and secured government support in a number of operating jurisdictions to defer taxation remittances and are working actively on accessing government-backed funding facilities to manage any potential liquidity shortfalls in the downside scenario. Furthermore, the Group is working in partnership with its suppliers to determine what support they can provide in such a scenario. Finally, the Group is in discussions with its lenders and shareholder to obtain additional borrowing facilities that would further strengthen its ability to manage any such cash flow volatility that may arise in the short term.

Caligen Foam Limited

Directors' report for the year ended 31 December 2019 (continued)

Going concern (continued)

The Group is currently in compliance with all lending covenants and, based on both its base case and downside scenario modelling, expects to remain in compliance in the next twelve months. Only the downside scenario described above indicates the existence of a material uncertainty, which may cast significant doubt on the Group and as a result, due to its dependence on the Group's financial performance, the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

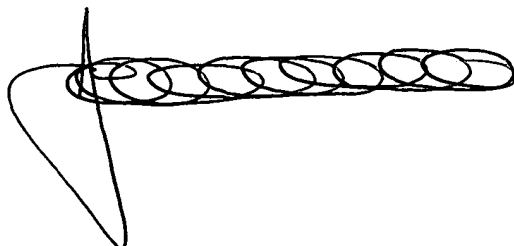
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board

Mr I W Robb
Director
12 June 2020

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned to the right of the director's name.

Caligen Foam Limited

Balance sheet as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors (includes £4,254,270 (2018: £4,254,270) falling due after more than one year)	1	4,254,270	4,254,270
Creditors: amounts falling due within one year	2	(28,290)	(28,290)
Net current assets and total assets less current liabilities		4,225,980	4,225,980
Creditors: amounts falling due after more than one year	3	(2,183,600)	(2,183,600)
Net assets		2,042,380	2,042,380
Capital and reserves			
Called up share capital	4	515,000	515,000
Share premium account	5	1,485,000	1,485,000
Profit and loss account	5	42,380	42,380
Total shareholder's funds		2,042,380	2,042,380

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

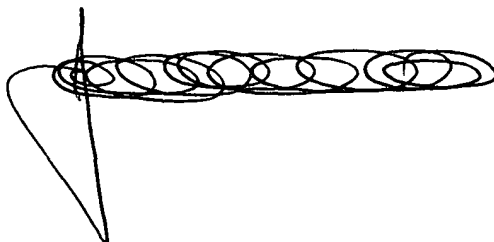
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.

The financial statements and notes on pages 5 to 7 were approved by the board of directors on 12 June 2020 and were signed on its behalf by:

Mr I W Robb
Director
12 June 2020



Caligen Foam Limited
Registered number
800311

Caligen Foam Limited

Notes to the financial statements for the year ended 31 December 2019

1 Debtors

	2019 £	2018 £
Amounts owed by group undertakings (includes £4,254,270 (2018: £4,254,270) falling due after more than one year)	4,254,270	4,254,270

2 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	28,290	28,290

Amounts owed to group undertakings are interest free and repayable 45 days after the end of the month in which they arose.

3 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	2,183,600	2,183,600

4 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
460,000 (2018: 460,000) ordinary shares of 25p each	115,000	115,000
1,600,000 (2018: 1,600,000) deferred shares of 25p each	400,000	400,000
	515,000	515,000

Caligen Foam Limited

Notes to the financial statements (continued)

for the year ended 31 December 2019

5 Reserves

	Share premium account	Profit and loss account
	£	£
At 31 December 2018 and 31 December 2019	1,485,000	42,380

6 Related party transactions

The Company has taken advantage of the exemption under paragraph 3(C) from the provisions of IAS 24, 'Related Party Disclosures', from disclosing related party transactions with fellow Group companies on the grounds that throughout the year it was a wholly owned subsidiary of a group headed by the Vita (Lux III) S.à.r.l., whose financial statements are publicly available. There were no other related party transactions.

7 Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Vita (Group) Unlimited.

Vita (Lux III) S.à.r.l. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements may be obtained from 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg.

The Company's ultimate controlling party is Strategic Value Partners, LLC or its affiliates Strategic Value Special Situations Master Fund III, LP, Strategic Value Opportunities Fund, LP, and Strategic Value Special Situations Master Fund IV, LP, all of which are partnerships located in the Cayman Islands.

The ultimate parent company is Vita Global Holdings Limited.