

Company registration number 00992692 (England and Wales)

CONDALE PLASTICS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

CONDALE PLASTICS LTD

COMPANY INFORMATION

Directors	M Stewart P Chadwick M Linder I Vincent	(Appointed 1 September 2022) (Appointed 1 September 2022)
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Secretary	P Chadwick
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Company number	00992692
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Registered office	Independent Business Park Imberhorne Lane Felbridge East Grinstead West Sussex RH19 1TU
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Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
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CONDALE PLASTICS LTD

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CONDALE PLASTICS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present the strategic report for the year ended 31 May 2022.

Fair review of the business

The company increased turnover by 12.8% to £18M.

The directors are satisfied with the performance of the business and have continued to invest in new equipment. The directors consider the company is well placed to build on its success and continue to seek out new markets and opportunities.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The business risks and uncertainties are managed by the use of various key performance indicators. The success of the business is also affected by economic cycles. We mitigate this risk by supplying all areas of industry and because of the diverse business activities of our customers. The company has no significant reliance on any individual customers.

The company's business can be affected by changes in prices of raw materials and availability of supply and the company seeks to mitigate these risks by means of its purchasing policy and relationship with key suppliers.

On behalf of the board

P Chadwick

Director

27 February 2023

CONDALE PLASTICS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2022

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the company continued to be that of the manufacture of extrusions in a variety of plastic materials.

Directors

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

M Stewart	
P Chadwick	
M Linder	(Appointed 1 September 2022)
I Vincent	(Appointed 1 September 2022)
J Dalton	(Resigned 1 September 2022)
A J Dalton	(Resigned 1 September 2022)
D A Dalton	(Resigned 1 September 2022)
D J Dalton	(Resigned 1 September 2022)

Results and dividends

The results for the year are set out on page 7.

The company paid an interim dividend totalling £2,000,000 (2021: £3,000,000). The directors do not propose payment of a final dividend.

Post reporting date events

On 1 September 2022 the company was acquired by Condale Holdings Ltd, which is owned by Lifco AB, based in Sweden. The company also sold its freehold properties.

The company has continued its operations and does not expect any major changes to its activities.

Auditor

Jacob Cavenagh & Skeet have agreed to offer themselves for re-appointment as auditors of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

CONDALE PLASTICS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

P Chadwick

Director

27 February 2023

CONDALE PLASTICS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONDALE PLASTICS LTD

Opinion

We have audited the financial statements of Condale Plastics Ltd (the 'company') for the year ended 31 May 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its profit for the year 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year 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.

CONDALE PLASTICS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CONDALE PLASTICS LTD

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 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, 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing Board minutes, challenging significant accounting estimates, evaluating the internal controls, agreeing financial statement disclosures to underlying supporting documentation and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CONDALE PLASTICS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF CONDALE PLASTICS LTD**

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.

Paul Newton FCA
Senior Statutory Auditor
For and on behalf of Jacob Cavenagh & Skeet

27 February 2023

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

CONDALE PLASTICS LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2022

	Notes	31 May 2022 £	2021 £
Turnover	3	18,051,515	16,001,395
Cost of sales		(11,357,202)	(9,651,269)
Gross profit		6,694,313	6,350,126
Distribution costs		(853,369)	(739,144)
Administrative expenses		(1,538,492)	(1,445,805)
Other operating income		812	184,769
Operating profit	4	4,303,264	4,349,946
Interest receivable and similar income	7	-	339
Profit before taxation		4,303,264	4,350,285
Tax on profit	8	(829,412)	(843,860)
Profit for the financial year		3,473,852	3,506,425

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CONDALE PLASTICS LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2022

	31 May 2022	2021
	£	£
Profit for the year	3,473,852	3,506,425
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,473,852</u>	<u>3,506,425</u>

CONDALE PLASTICS LTD

BALANCE SHEET

AS AT 31 MAY 2022

		31 May 2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	5,058,584		5,171,020	
Investments	12	2		2	
		<u>5,058,586</u>		<u>5,171,022</u>	
Current assets					
Stocks	14	1,678,352		1,227,823	
Debtors	15	3,099,523		2,905,906	
Cash at bank and in hand		3,024,830		2,742,768	
		<u>7,802,705</u>		<u>6,876,497</u>	
Creditors: amounts falling due within one year	16	<u>(1,987,753)</u>		<u>(2,663,076)</u>	
Net current assets		<u>5,814,952</u>		<u>4,213,421</u>	
Total assets less current liabilities		<u>10,873,538</u>		<u>9,384,443</u>	
Provisions for liabilities		<u>(192,471)</u>		<u>(177,228)</u>	
Net assets		<u>10,681,067</u>		<u>9,207,215</u>	
Capital and reserves					
Called up share capital	19	1,000		1,000	
Revaluation reserve		364,587		376,874	
Other reserves		123,342		123,342	
Profit and loss reserves		10,192,138		8,705,999	
Total equity		<u>10,681,067</u>		<u>9,207,215</u>	

The financial statements were approved by the board of directors and authorised for issue on 27 February 2023 and are signed on its behalf by:

M Stewart
Director

Company Registration No. 00992692

CONDALE PLASTICS LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2022

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 June 2020		1,000	389,161	123,342	8,187,287	8,700,790
Year ended 31 May 2021:						
Profit and total comprehensive income for the year		-	-	-	3,506,425	3,506,425
Dividends	9	-	-	-	(3,000,000)	(3,000,000)
Transfers		-	(12,287)	-	12,287	-
Balance at 31 May 2021		1,000	376,874	123,342	8,705,999	9,207,215
Year ended 31 May 2022:						
Profit and total comprehensive income for the year		-	-	-	3,473,852	3,473,852
Dividends	9	-	-	-	(2,000,000)	(2,000,000)
Transfers		-	(12,287)	-	12,287	-
Balance at 31 May 2022		<u>1,000</u>	<u>364,587</u>	<u>123,342</u>	<u>10,192,138</u>	<u>10,681,067</u>

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Company information

Condale Plastics Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Independent Business Park, Imberhome Lane, Felbridge, East Grinstead, West Sussex, RH19 1TU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the freehold properties at their valuation at 31 May 2013 which is now treated as deemed cost. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Marsdale Plastics Limited. These consolidated financial statements are available from its registered office, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

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

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Freehold properties are measured at their valuation at 31 May 2013 which is now treated as deemed cost and depreciated as appropriate.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	over 40 years straight line for buildings, no provision made for land
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	12.5% reducing balance
Computer equipment	33.3% straight line
Motor vehicles	25% reducing balance

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

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

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

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

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

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.7 Stocks

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

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

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

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

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.10 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred taxation is provided on the full provisioning method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

Turnover analysed by geographical market

	31 May 2022 £	2021 £
UK	15,519,618	12,758,371
European Union	1,054,907	1,275,244
Rest of the World	1,476,990	1,967,780
	<u>18,051,515</u>	<u>16,001,395</u>

4 Operating profit

	31 May 2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	2,109	445
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,500
Depreciation of owned tangible fixed assets	384,516	365,374
Profit on disposal of tangible fixed assets	(5,997)	(1,039)
Operating lease charges	100	100
	<u>389,628</u>	<u>374,380</u>

5 Employees

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

	31 May 2022 Number	2021 Number
Production	83	84
Administration	15	15
Total	<u>98</u>	<u>99</u>

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	31 May 2022	2021
	£	£
Wages and salaries	3,736,587	3,553,053
Social security costs	417,637	389,048
Pension costs	95,033	91,117
	<u>4,249,257</u>	<u>4,033,218</u>

6 Directors' remuneration

	31 May 2022	2021
	£	£
Remuneration for qualifying services	641,832	634,050
Company pension contributions to defined contribution schemes	8,500	8,500
	<u>650,332</u>	<u>642,550</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	31 May 2022	2021
	£	£
Remuneration for qualifying services	<u>148,080</u>	<u>146,956</u>

7 Interest receivable and similar income

	31 May 2022	2021
	£	£
Interest income		
Other interest income	-	339
	<u></u>	<u></u>

8 Taxation

	31 May 2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	815,785	821,644
Adjustments in respect of prior periods	(1,616)	2,797
	<u>814,169</u>	<u>824,441</u>

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

8 Taxation (Continued)

	31 May 2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	15,243	19,419
	<u> </u>	<u> </u>
Total tax charge	829,412	843,860
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	31 May 2022 £	2021 £
Profit before taxation	4,303,264	4,350,285
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	817,620	826,554
Tax effect of expenses that are not deductible in determining taxable profit	16,218	(4,910)
Adjustments in respect of prior years	(1,616)	2,797
Permanent capital allowances in excess of depreciation	(9,984)	-
Deferred tax adjustments in respect of prior years	7,174	19,419
	<u> </u>	<u> </u>
Taxation charge for the year	829,412	843,860
	<u> </u>	<u> </u>

9 Dividends

	31 May 2022 £	2021 £
Interim paid	2,000,000	3,000,000
	<u> </u>	<u> </u>

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

10 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 June 2021 and 31 May 2022	89,900
Amortisation and impairment	
At 1 June 2021 and 31 May 2022	89,900
Carrying amount	
At 31 May 2022	-
At 31 May 2021	-

11 Tangible fixed assets

	Freehold land and buildings	Plant and fixtures, machinery & fittings	Motor vehicles & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 June 2021	4,120,567	7,730,520	351,625	12,495,661
Additions	-	189,721	6,690	296,257
Disposals	-	(43,423)	-	(167,538)
At 31 May 2022	4,120,567	7,876,818	358,315	12,624,380
Depreciation and impairment				
At 1 June 2021	335,960	6,520,235	322,947	7,324,641
Depreciation charged in the year	62,343	262,125	15,389	384,516
Eliminated in respect of disposals	-	(43,308)	-	(143,361)
At 31 May 2022	398,303	6,739,052	338,336	7,565,796
Carrying amount				
At 31 May 2022	3,722,264	1,137,766	19,979	5,058,584
At 31 May 2021	3,784,607	1,210,285	28,678	5,171,020

The historical cost of freehold land and buildings where a valuation was treated as deemed cost on transition to FRS102 is £2,210,755. Accumulated depreciation is £412,522 and depreciation of £24,689 would have been charged.

12 Fixed asset investments

	Notes	31 May 2022 £	2021 £
Investments in subsidiaries	13	2	2

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

13 Subsidiaries

Details of the company's subsidiaries at 31 May 2022 are as follows:

Name of undertaking	Registered office
PETG Extrusions Ltd	England & Wales

14 Stocks

	31 May 2022 £	2021 £
Raw materials and consumables	1,539,006	1,025,808
Finished goods and goods for resale	139,346	202,015
	<u>1,678,352</u>	<u>1,227,823</u>

15 Debtors

	31 May 2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,923,133	2,740,636
Other debtors	3,310	166
Prepayments and accrued income	173,080	165,104
	<u>3,099,523</u>	<u>2,905,906</u>

16 Creditors: amounts falling due within one year

	31 May 2022 £	2021 £
Trade creditors	875,842	1,219,374
Amounts owed to group undertakings	2	2
Corporation tax	356,899	527,730
Other taxation and social security	498,630	475,077
Other creditors	38,429	202,139
Accruals and deferred income	217,951	238,754
	<u>1,987,753</u>	<u>2,663,076</u>

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 31 May 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	192,471	177,228
Movements in the year:		31 May 2022 £
Liability at 1 June 2021		177,228
Charge to profit or loss		15,243
Liability at 31 May 2022		192,471

£20,000 of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

	31 May 2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	95,033	91,117

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	31 May 2022 Number	2021 Number	31 May 2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

20 Related party transactions

During the year the Company transferred a motor vehicle to D A Dalton, a Director, at a value of £6,500.

CONDALE PLASTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	31 May 2022	2021
	£	£
Acquisition of tangible fixed assets	-	29,164
	<u> </u>	<u> </u>

22 Events after the reporting date

After the year end, the company was acquired by Condale Holdings Ltd which is owned by Lifco AB, based in Sweden. The company also sold its freehold properties.

23 Ultimate controlling party

The company is a wholly owned subsidiary of Marsdale Plastics Limited, a company registered in England and Wales.

At the year-end, the Dalton family held control of the company.

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.