



**Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion
Limited)**

Annual report and financial statements

For the year ended 31 December 2022

Trioworld UK Ltd (Formerly known as Eurofilms Extrusion Limited)

Company information

Directors	Mr A Lord Mr P Holtstrand Mr A Malmberg Mrs S Griffiths	(Appointed 9 March 2022) (Appointed 9 March 2022) (Appointed 9 March 2022) (Appointed 8 March 2023)
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Secretary	Mr P Martin
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Company number	03038727
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Registered office	Unit B1-3 Hortonpark Industrial Estate Hortonwood 7 Telford Shropshire England TF1 7XY
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Auditor	DJH Mitten Clarke Audit Limited The Glades Festival Way Festival Park Stoke-on-Trent Staffordshire ST1 5SQ
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Trioworld UK Ltd (Formerly known as Eurofilms Extrusion Limited)

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Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Strategic report

For the year ended 31 December 2022

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

Review of the business

We are pleased to report a solid performance for this year despite the challenges brought about by the introduction of the plastic tax and significant inflationary pressures.

Turnover increased by 16.6% driven in the main by increasing costs of raw materials and transport in addition to the introduction of the plastic tax in April. The full impact of the increased prices was muted by a 14.4% reduction in volumes. Volumes were down year over the prior year due to reduced customer demand.

The business continued to invest in machinery to ensure production levels and efficiencies were maximised. The demand for our product remains solid both in the UK and mainland European markets we operate in. Consequently, the Directors decided to further enhance its extrusion capability by investing in an additional blown extrusion line. The line was installed in the summer of 2022.

The operating profit for the year is reported at £1.1 million or 3.2% compared to £1.0 million or 3.3% 2021.

Working capital remains a focus area for the business and we absorbed net cash from operating activities in the year of £3.1 million (2021 - £2.9 million generated). Our invoice financing partner made two administrative errors at the end of the year that limited our ability to draw down the available facility, these were subsequently resolved in the early part of 2023. Whilst the issues were being resolved, however, we were able to draw funds from the Group's cash pool facility. The business maintained a significant stock to help mitigate the impact of the supply chain volatility on its production and customers.

Total net assets at the year end were £3.9m (2021 - £3.3m).

We have focused on continuous improvement within the business to ensure it operates at optimum efficiencies. Operational and commercial KPI's are reviewed monthly, and changes actioned. Our workforce has retained their extensive industry and production knowledge, which is a vital resource as we seek business excellence.

We will adhere to our current commercial and operational visions and we believe our business is in a very strong position and will continue to grow and invest for the future.

In March 2022, the shareholders decided to sell their shares of the business and the company joined the Trioworld group of companies. This sale will provide additional resources and capabilities to help serve the customer base.

Principal risks and uncertainties

Currency, polymer pricing and supply chain volatility continue to be the main unpredictable aspect of the business arena we operate in. The price fluctuations can have short and medium-term impacts on profitability if not controlled appropriately. We have utilised only a few forward currency contracts during the year, however remain open to increasing the use of such contracts in the future to mitigate exposure.

Financial instrument risks include credit risks, liquidity risk and cashflow risks as referred to in the Report of the Directors.

Throughout 2022, the business has maintained good health and Safety standards to protect the employees whilst maintaining production volumes to support the needs of customers.

Key performance indicators

Increase in sales 16.6% (2021 - 12.0%) year on year sales growth expressed as a percentage.

The company reported an operating profit margin of 3.2% (2021 - 3.3%).

The company absorbed £3.1 million net cash from operating activities in 2022 (2021 - £2.9 million generated).

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Strategic report (continued)

For the year ended 31 December 2022

On behalf of the board

Mr A Lord
Director

13 June 2023

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Directors' report

For the year ended 31 December 2022

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

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of industrial stretch film and collation shrink film.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid (2021 - £642,664). The directors do not recommend payment of a final dividend.

Directors

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

Mr M Palmer	(Resigned 9 March 2022)
Mr W Humphreys	(Resigned 8 March 2023)
Mr P Martin	(Resigned 9 March 2022)
Mr D Thomas	(Resigned 9 March 2022)
Mr A Lord	(Appointed 9 March 2022)
Mr P Holtstrand	(Appointed 9 March 2022)
Mr A Malmberg	(Appointed 9 March 2022)
Mrs S Griffiths	(Appointed 8 March 2023)

Financial instruments

Liquidity risk

Our objective is to ensure significant funds are available to meet our future cash requirement. Cash flow reporting and investment appraisals are standard procedures in our business decision making. The risk is supported through asset backed credit facilities. We consider the company to have sufficient access to funding to remain in operational existence for the foreseeable future.

Credit Risk

Our customer base afford us no significant concentration of credit risk. The risk is managed through continually monitored credit procedures during the conduct of our business. We also retain the services of a credit insurance provider to provide additional protection from any credit risk.

Cashflow Risk

Cashflow risk is continually assessed by the business. The seasonal fluctuations in demand and the need to ensure working capital to support the business requirements are a number of factors considered in monitoring of cashflow. Close monitoring and management of cashflows ensure we have sufficient capacity to operate efficiently and serve the customer base effectively.

Research and development

Eurofilms continues to develop its range of stretch and shrink films to satisfy our customer's current and future needs. We have a strong supplier base who help support this endeavour at all times.

Post reporting date events

On 1 January 2023, the trade and net book value of assets and liabilities of Quality Films Limited and Trioworld Limited, wholly owned subsidiaries of Trioworld Industrier AB were hived across into this entity.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Directors' report (continued)

For the year ended 31 December 2022

Future developments

We are committed to develop our product range to meet the needs of our market place and specific customer requirements. This will need constant capital investment to adapt current plant and machinery as well as buying new machinery to supplement current capacity.

Following the hive across of assets, liabilities and trade associated with our UK sister organisations (Quality Films Limited and Trioworld Limited), Trioworld UK Ltd (formerly known as Eurofilms Extrusion Limited) will see a significant and positive change in the their Balance Sheet, Statement of Comprehensive Income, P&L and Cashflow within 2023. In addition, Trioworld UK Ltd have purchased some incremental conversion equipment to support the growth strategy.

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.

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

Mr A Lord
Director

Mr A Malmberg
Director

13 June 2023

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Independent auditor's report

To the members of Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Opinion

We have audited the financial statements of Trioworld UK Ltd (Formerly known as Eurofilms Extrusion Limited) (the 'company') for the year ended 31 December 2022 which comprise 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 December 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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Independent auditor's report (continued)

To the members of Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

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.

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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Independent auditor's report (continued)

To the members of Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting any available legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing legal and professional fees for evidence of potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Independent auditor's report (continued)

To the members of Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

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.

Nicola Johnson
Senior Statutory Auditor
For and on behalf of DJH Mitten Clarke Audit Limited

21 June 2023

Chartered Accountants
Statutory Auditor

The Glades
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5SQ

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Statement of comprehensive income For the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	33,233,333	28,509,418
Cost of sales		(29,186,143)	(24,962,619)
Gross profit		<u>4,047,190</u>	<u>3,546,799</u>
Distribution costs		(1,971,617)	(1,649,650)
Administrative expenses		(1,147,841)	(1,016,168)
Other operating income		134,988	71,319
Operating profit	4	<u>1,062,720</u>	<u>952,300</u>
Interest receivable and similar income	8	17	16
Interest payable and similar expenses	9	(169,916)	(84,953)
Other gains and losses	10	(182,000)	-
Profit before taxation		<u>710,821</u>	<u>867,363</u>
Tax on profit	11	(119,353)	(276,341)
Profit for the financial year		<u><u>591,468</u></u>	<u><u>591,022</u></u>

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

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Balance sheet

As at 31 December 2022

	Notes	2022		2021 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13	6,179,915		4,690,085	
Investments	14	-		182,000	
			6,179,915		4,872,085
Current assets					
Stocks	15	3,256,943		3,097,403	
Debtors	16	8,024,422		3,785,378	
Cash at bank and in hand		269,657		704,820	
		11,551,022		7,587,601	
Creditors: amounts falling due within one year	17	(10,606,668)		(7,273,767)	
Net current assets			944,354		313,834
Total assets less current liabilities			7,124,269		5,185,919
Creditors: amounts falling due after more than one year	18		(2,321,412)		(1,123,169)
Provisions for liabilities					
Deferred tax liability	21	898,505		749,866	
			(898,505)		(749,866)
Net assets			3,904,352		3,312,884
Capital and reserves					
Called up share capital	23	536,000		536,000	
Capital redemption reserve	24	260,333		260,333	
Profit and loss reserves	25	3,108,019		2,516,551	
Total equity			3,904,352		3,312,884

The financial statements were approved by the board of directors and authorised for issue on 13 June 2023 and are signed on its behalf by:

Mr A Lord
Director

Mr A Malmberg
Director

Company Registration No. 03038727

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Statement of changes in equity

For the year ended 31 December 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2021:					
Balance at 1 January 2021		536,000	260,333	2,568,193	3,364,526
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	591,022	591,022
Dividends	12	-	-	(642,664)	(642,664)
Balance at 31 December 2021		536,000	260,333	2,516,551	3,312,884
Year ended 31 December 2022:					
Profit and total comprehensive income for the year		-	-	591,468	591,468
Balance at 31 December 2022		536,000	260,333	3,108,019	3,904,352

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

Company information

Trioworld UK Ltd (Formerly known as Eurofilms Extrusion Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Unit B1-3, Hortonpark Industrial Estate, Hortonwood 7, Telford, Shropshire, England, TF1 7XY.

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 cover the company as an individual entity and 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. 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 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Trioworld Industrier AB. These consolidated financial statements are available from its registered office, Parkgatan 10, Box 143, 333 23, Smalandsstenar, Sweden.

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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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 despatch 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the period of the lease
Plant and equipment	5%-12.5% straight line
Computers	20% straight line

Assets in the course of construction are not depreciated.

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

Investments held as fixed assets 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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

1.7 Stocks

Stocks are stated at the lower of cost and 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, 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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.

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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

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.

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.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Derecognition of trade assets

The company is party to a non-recourse invoice discounting arrangement. Under this arrangement, management, on reflection, considers that substantially all the risks and rewards of ownership of qualifying trade debtors have been transferred to a third party. Consequently, substantially all the trade debtors have been derecognised by management at the balance sheet date. Management has retained in trade debtors only the elements of balances on which the company retains credit risk, the net amounts due to the company at the balance sheet date being presented in other debtors. In management's judgement, the derecognition of these assets is in accordance with section 11 of FRS102. A prior year adjustment has also been reflected to derecognise trade debtors at the prior balance sheet date.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence and physical deterioration.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	27,922,717	24,296,586
Europe	5,310,616	4,212,832
	<u>33,233,333</u>	<u>28,509,418</u>
	2022	2021
	£	£
Other revenue		
Interest income	17	16
Grants received	20,730	20,730
Exchange (losses)/gains	-	50,589
Sundry income	143,826	-
	<u>164,379</u>	<u>71,335</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	29,568	(50,589)
Government grants	(20,730)	(20,730)
Depreciation of tangible fixed assets	585,871	517,357
Operating lease charges	334,702	308,674
	<u>929,311</u>	<u>854,712</u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>28,950</u>	<u>23,250</u>

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

6 Employees

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

	2022	2021
	Number	Number
Production	84	78
Selling	10	9
Administration	7	8
Total	<u>101</u>	<u>95</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,189,568	2,861,052
Social security costs	325,596	287,379
Pension costs	101,640	90,101
	<u>3,616,804</u>	<u>3,238,532</u>

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	238,680	342,292
Company pension contributions to defined contribution schemes	3,066	17,662
	<u>241,746</u>	<u>359,954</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

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

	2022	2021
	£	£
Remuneration for qualifying services	<u>206,742</u>	<u>216,775</u>

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

8 Interest receivable and similar income	2022	2021
	£	£
Interest income		
Other interest income	17	16
	<u> </u>	<u> </u>
 9 Interest payable and similar expenses		
	2022	2021
	£	£
Interest on bank overdrafts and loans	99,024	33,248
Interest on finance leases and hire purchase contracts	70,892	51,705
	<u> </u>	<u> </u>
	<u>169,916</u>	<u>84,953</u>
 10 Other gains and losses		
	2022	2021
	£	£
Loss on disposal of fixed asset investments	(182,000)	-
	<u> </u>	<u> </u>
 11 Taxation		
	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	(29,286)	(83,065)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	406,510	171,021
Changes in tax rates	-	179,968
Adjustment in respect of prior periods	6,438	8,417
Tax losses carried forward	(264,309)	-
	<u> </u>	<u> </u>
Total deferred tax	<u>148,639</u>	<u>359,406</u>
Total tax charge	<u>119,353</u>	<u>276,341</u>

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

11 Taxation

(Continued)

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:

	2022	2021
	£	£
Profit before taxation	710,821	867,363
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	135,056	164,799
Tax effect of expenses that are not deductible in determining taxable profit	122	385
Adjustments in respect of prior years	(29,286)	(83,065)
Effect of change in corporation tax rate	35,673	179,968
Depreciation on assets not qualifying for tax allowances	-	1,223
Deferred tax adjustments in respect of prior years	4,893	8,417
Enhanced capital allowances claimed	(111,223)	(36,372)
Tax losses carried back	-	40,986
Tax losses no longer available	49,538	-
Loss on disposal of investment	34,580	-
Taxation charge for the year	119,353	276,341

Factors that may affect future tax charges

With the availability of significant tax reliefs for capital expenditure, such as the 130% first year allowance super deduction, the company anticipates continuing to be able to claim capital allowances in excess of depreciation in the short term. However, if capital expenditure slows down, this trend will reverse.

The main corporation tax rate has been legislated to increase from 19% to 25% with effect from 1 April 2023, significantly increasing the tax payable on profits earned.

Given the imminent change to the main corporation tax rate, deferred tax has been provided for at 25% where appropriate.

12 Dividends

	2022	2021
	£	£
Interim paid	-	642,664

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

13 Tangible fixed assets

	Leasehold improvements	Assets under construction	Plant and equipment	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2022	732,833	790,796	10,362,974	207,569	12,094,172
Additions	61,636	156,853	1,843,033	14,179	2,075,701
Transfers	-	(790,796)	790,796	-	-
At 31 December 2022	794,469	156,853	12,996,803	221,748	14,169,873
Depreciation and impairment					
At 1 January 2022	521,467	-	6,679,064	203,556	7,404,087
Depreciation charged in the year	61,088	-	522,422	2,361	585,871
At 31 December 2022	582,555	-	7,201,486	205,917	7,989,958
Carrying amount					
At 31 December 2022	211,914	156,853	5,795,317	15,831	6,179,915
At 31 December 2021	211,366	790,796	3,683,910	4,013	4,690,085

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022	2021
	£	£
Plant and equipment	3,505,671	1,889,264

Fixed assets with a carrying amount of £2,674,244 (2021 - £2,800,821) have been pledged to secure other borrowings of the company.

14 Fixed asset investments

	2022	2021
	£	£
Unlisted investments	-	182,000

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

14	Fixed asset investments	(Continued)
	Movements in fixed asset investments	Investments
		£
	Cost or valuation	
	At 1 January 2022	182,000
	Disposals	(182,000)
	At 31 December 2022	-
	Carrying amount	
	At 31 December 2022	-
	At 31 December 2021	182,000

15	Stocks	2022	2021
		£	£
	Raw materials and consumables	1,237,570	1,845,368
	Finished goods and goods for resale	2,019,373	1,252,035
		<u>3,256,943</u>	<u>3,097,403</u>

There is no significant difference between the replacement cost of raw materials and finished goods and their carrying amounts.

Stocks are stated after provisions for impairment of £51,486 (2021 - £69,966).

Stocks with a carrying value of £3,256,943 (2021 - £3,097,403) have been pledged to secure borrowings of the company.

16	Debtors	2022	2021
	Amounts falling due within one year:	£	£
			as restated
	Trade debtors	760,908	842,712
	Corporation tax recoverable	92,682	63,395
	Other debtors	6,870,536	2,491,541
	Prepayments and accrued income	300,296	387,730
		<u>8,024,422</u>	<u>3,785,378</u>

Other debtors includes £6,868,536 (2021 - £2,465,461) owed from the company's invoice financing partner.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £ as restated
Bank loans and overdrafts	19	3,545,890	-
Obligations under finance leases	20	496,298	322,027
Payments received on account		-	10,401
Trade creditors		4,375,785	5,008,688
Taxation and social security		723,424	323,523
Other creditors		193,787	871,963
Accruals and deferred income		1,271,484	737,165
		<u>10,606,668</u>	<u>7,273,767</u>

Obligations under finance leases of £496,298 (2021 - £322,027) are secured on the assets concerned. See "Finance lease obligations" for further information.

Bank overdrafts of £3,545,890 (2021 - £Nil) relate to amounts drawn from the Group's Global Cash Pool facility.

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	20	<u>2,321,412</u>	<u>1,123,169</u>

Obligations under finance leases of £2,321,412 (2021 - £1,123,169) are secured on the assets concerned. See "Finance lease obligations" for further information.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>476,207</u>	<u>-</u>
------------------------	----------------	----------

19 Loans and overdrafts

	2022 £	2021 £ as restated
Bank overdrafts	<u>3,545,890</u>	<u>-</u>
Payable within one year	<u>3,545,890</u>	<u>-</u>

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

20 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	496,298	322,027
In two to five years	1,845,205	1,123,169
In over five years	476,207	-
	<u>2,817,710</u>	<u>1,445,196</u>

The finance leases primarily relate to manufacturing equipment. Title to the assets will be transferred to the company on payment of a nominal fee at the end of the lease. The liabilities are secured by the lessor over the leased assets. The fair value of lease liabilities is approximately equal to their carrying amount.

The amounts due over 5 years relates to a finance lease for which instalments are repayable in equal amounts over the term of the lease at an effective interest rate of 4.99%.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	1,232,567	818,489
Tax losses	(329,491)	(65,182)
Other short term timing differences	(4,571)	(3,441)
	<u>898,505</u>	<u>749,866</u>
		2022
		£
Movements in the year:		
Liability at 1 January 2022		749,866
Charge to profit or loss		148,639
		<u>898,505</u>
Liability at 31 December 2022		<u>898,505</u>

The net deferred tax liability is not expected to reverse significantly in the short term due to the continuing investment in capital expenditure by the company.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

22 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	101,640	90,101
	<u>101,640</u>	<u>90,101</u>

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. Contributions totalling £18,287 (2021 - £13,767) were payable to the fund at the balance sheet date and are included in creditors.

23 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	536,000	536,000	536,000	536,000
	<u>536,000</u>	<u>536,000</u>	<u>536,000</u>	<u>536,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

24 Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

25 Profit and loss reserves

This reserve records all current and prior period retained profits and losses.

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	335,070	337,174
Between two and five years	646,517	903,031
	<u>981,587</u>	<u>1,240,205</u>

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	-	1,533,962

28 Events after the reporting date

On 1 January 2023, the trade and net book value of assets and liabilities of Quality Films Limited and Trioworld Limited, wholly owned subsidiaries of Trioworld Industrier AB were hived across into this entity.

29 Related party transactions

Transactions with related parties

Amounts paid to close family members of key management totalled £Nil (2021 - £14,012).

30 Directors' transactions

The balance owed to W Humphreys by the company at the year end was £Nil (2021 - £260,164).

During the year, the company received £24,080 (2021 - £Nil) from M Palmer and granted credits of £Nil (2021 - £5,920). The balance owed to the company at the year end was £Nil (2021 - £24,080).

The advances are unsecured and repayable on demand. No interest is charged on the amounts outstanding.

Dividends totalling £Nil (2021 - £480,799) were paid in the year in respect of shares held by the company's directors.

31 Ultimate controlling party

The immediate parent undertaking is Trioworld Industrier AB, a company incorporated in Sweden.

The largest and smallest group to consolidate these statements is Trioworld Industrier AB. Copies of the Trioworld Industrier AB consolidated financial statements can be obtained from its head office at Parkgatan 10, Box 143, 333 23, Smalandsstenar, Sweden.

Trioworld UK Ltd (Formerly Known As Eurofilms Extrusion Limited)

Notes to the financial statements (continued)

For the year ended 31 December 2022

32 Prior period adjustment

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Dec 2021
	£	£	£
Current assets			
Debtors due within one year	6,609,980	(2,824,602)	3,785,378
Creditors due within one year			
Loans and overdrafts	(2,824,602)	2,824,602	-
Net assets	3,312,884	-	3,312,884
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Total equity	3,312,884	-	3,312,884
	<u> </u>	<u> </u>	<u> </u>

During the year, the directors reviewed the invoice discounting agreement and consider that balances were incorrectly classified and have made the appropriate prior year adjustment to correct the misstatement.

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

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.