

Registered number: 05256222

FORMFORMFORM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



FORMFORMFORM LIMITED

COMPANY INFORMATION

Directors	J Delehanty S Plastow L Beeckmann (appointed 30 June 2019)
Registered number	05256222
Registered office	Unit 2 47-49 Tudor Road London E9 7SN
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY
Bankers	HSBC Bank plc Fore Street Sidmouth Devon EX10 8AA
Solicitors	Bristows 100 Victoria Embankment London EC4Y 0DH

FORMFORMFORM LIMITED

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FORMFORMFORM LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activities

The Group manufactures and sells mouldable glue. Our platform technology, Formierol, for the first time combines the adhesive and room temperature curing properties of silicone adhesives with mould-ability of industrial silicone rubbers.

Granted patents are in place in the EU, USA, India and China.

Business review

Group revenues decreased by £2.1m to £3.3m representing a decrease of 38.57% year on year. This was due in part by a slow down in the market as well as disruption caused by the acquisition of the Company by Tesa SE. Gross margin has decreased from 39.78% to 9.37%. The loss for the financial year is £3.8m (2017: loss of £3.3m). The focus of the Company since its acquisition by Tesa SE has shifted towards profitability and reaching break even status, rather than revenue generation. Therefore, efforts have been made not only to continue reducing the per unit manufacturing costs of the product, but to find cost savings across the whole company. The Company has initiated a variety of projects and initiatives to facilitate these objectives. The Company has also continued its drive to raise awareness of its product and branding. This has included heavy investment in marketing and branding strategies.

Financial KPIs

	2018	2017
Revenue	£3.3m	£5.4m
Gross Profit Margin	9.4%	39.8%
Loss for the Financial Year	£3.8m	£3.3m

Research and development

The majority of the research and development activity in the year related to the improvement of the formula and looking into extending the shelf life of the product. There was also R&D activity in production and packaging technologies to help reduce production costs.

Principal risks and uncertainties

The Group continued to mitigate its liquidity risk by managing cash generation through its operations and securing additional equity investment and debt funding from its parent company tesa SE.

The Group has an exchange risk exposure due to over half of the revenue being denominated in USD. This risk was managed in the year by creating a natural hedge as we incurred manufacturing costs in USD in Mexico.

Future developments

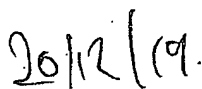
The Group continue to invest in marketing and branding strategies and improving their formula.

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

J Delehanty
Director



Date:



FORMFORMFORM LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £3,825,063 (2017 - loss £3,254,367).

No dividends were proposed or paid during the year (2017 - £Nil).

Directors

The directors who served during the year were:

R Ashby (resigned 24 May 2018)
P Begley (resigned 24 May 2018)
J Carrigan (resigned 24 May 2018)
J Delehanty
C Thompson (resigned 24 May 2018)
W Sermon (resigned 24 May 2018)
C Nunn (resigned 24 May 2018)
K Krahwinkel (appointed 24 May 2018, resigned 30 June 2019)
S Plastow (appointed 24 May 2018)

Disclosure of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post Balance Sheet events

Subsequent to the year end FormFormForm Ltd entered into an IP Transfer Agreement with its parent company Tesa SE, whereby the Company would transfer all its rights, title and interest in its intellectual property to Tesa SE. The consideration payable by Tesa for this transfer totalled €2.3m, generating a profit on disposal. The consideration was effectively netted off against the existing intercompany loan between the two entities.

Another significant event was a shift in production operations from Mexico to Germany in early 2019. This involved the cessation of operations in Mexico and engagement with a new production partner, Isi Kriz in Germany around March 2019.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

FORMFORMFORM LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Jane Delehanty

J Delehanty
Director

Date: 20/12/19

FORMFORMFORM LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMFORMFORM LIMITED

Opinion

We have audited the financial statements of Formformform Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Balance Sheets, Consolidated and Parent Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Group's and of the Parent Company's affairs as at 31 December 2018 and of the Group's loss 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 Group and Parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMFORMFORM LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial 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 Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's or the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORMFORMFORM LIMITED (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Andrew Bond (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date:

2012/19

FORMFORMFORM LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	3,334,660	5,428,652
Cost of sales		(3,022,074)	(3,268,975)
Gross profit		312,586	2,159,677
Administrative expenses		(4,670,376)	(5,274,184)
Other operating income	5	338,653	-
Operating loss	6	(4,019,137)	(3,114,507)
Interest payable and expenses	10	(233,578)	(337,717)
Foreign exchange gain		427,652	-
Loss before taxation		(3,825,063)	(3,452,224)
Tax on loss	11	-	197,857
Loss for the financial year		(3,825,063)	(3,254,367)
Currency translation differences		(386,272)	(74,073)
Other comprehensive income for the year		(386,272)	(74,073)
Total comprehensive income for the year		(4,211,335)	(3,328,440)

The notes on pages 16 to 36 form part of these financial statements.

FORMFORMFORM LIMITED
REGISTERED NUMBER:05256222

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	475,759	573,266
Tangible assets	13	952,593	1,184,938
		<u>1,428,352</u>	<u>1,758,204</u>
Current assets			
Stocks	15	555,869	695,778
Debtors: amounts falling due within one year	16	1,682,006	1,931,429
Cash at bank and in hand	17	614,271	559,519
		<u>2,852,146</u>	<u>3,186,726</u>
Creditors: amounts falling due within one year	18	(4,832,763)	(4,438,005)
Net current liabilities		<u>(1,980,617)</u>	<u>(1,251,279)</u>
Total assets less current liabilities		<u>(552,265)</u>	<u>506,925</u>
Creditors: amounts falling due after more than one year	19	-	(948,169)
Net liabilities		<u>(552,265)</u>	<u>(441,244)</u>
Capital and reserves			
Called up share capital	23	690,183	687,819
Share premium account	24	10,550,297	10,550,297
Foreign exchange reserve	24	(392,773)	(6,501)
Other reserves	24	4,100,314	330,703
Profit and loss account	24	(15,500,286)	(12,003,562)
		<u>(552,265)</u>	<u>(441,244)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Delehanty
Director

Date:

Jane Delehanty

20/12/19

The notes on pages 16 to 36 form part of these financial statements.

FORMFORMFORM LIMITED
REGISTERED NUMBER:05256222

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	458,816	553,276
Tangible assets	13	952,092	1,184,433
Investments	14	1,467,896	1,328,246
		<u>2,878,804</u>	<u>3,065,955</u>
Current assets			
Stocks	15	480,908	507,016
Debtors: amounts falling due within one year	16	9,577,318	6,117,091
Cash at bank and in hand	17	322,687	343,692
		<u>10,380,913</u>	<u>6,967,799</u>
Creditors: amounts falling due within one year	18	(4,724,697)	(3,528,405)
Net current assets		<u>5,656,216</u>	<u>3,439,394</u>
Total assets less current liabilities		<u>8,535,020</u>	<u>6,505,349</u>
Creditors: amounts falling due after more than one year	19	-	(948,169)
Net assets		<u><u>8,535,020</u></u>	<u><u>5,557,180</u></u>
Capital and reserves			
Called up share capital	23	690,183	687,819
Share premium account	24	10,550,297	10,550,297
Other reserves	24	4,100,314	330,703
Profit and loss account	24	(6,805,774)	(6,011,639)
		<u><u>8,535,020</u></u>	<u><u>5,557,180</u></u>

FORMFORMFORM LIMITED
REGISTERED NUMBER:05256222

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Company for the year was £1,122,474 (2017: loss of £1,238,601).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J Delehanty
Director

Date: 20/12/19.

The notes on pages 16 to 36 form part of these financial statements.

FORMFORMFORM LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017	645,686	8,797,093	67,572	286,000	(8,749,195)	1,047,156
Comprehensive income for the year						
Loss for the year	-	-	-	-	(3,254,367)	(3,254,367)
Movement of foreign exchange	-	-	(74,073)	-	-	(74,073)
Shares issued during the year	42,133	1,753,204	-	-	-	1,795,337
Share based payment	-	-	-	44,703	-	44,703
At 1 January 2018	687,819	10,550,297	(6,501)	330,703	(12,003,562)	(441,244)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(3,825,063)	(3,825,063)
Movement on foreign exchange	-	-	(386,272)	-	-	(386,272)
Shares issued during the year	2,364	-	-	-	-	2,364
Transfer to/from profit and loss account	-	-	-	(330,703)	328,339	(2,364)
Capital contributions	-	-	-	4,100,314	-	4,100,314
At 31 December 2018	690,183	10,550,297	(392,773)	4,100,314	(15,500,286)	(552,265)

FORMFORMFORM LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2017	645,686	8,797,093	286,000	(4,773,038)	4,955,741
Comprehensive income for the year					
Loss for the year	-	-	-	(1,238,601)	(1,238,601)
Shares issued during the year	42,133	1,753,204	-	-	1,795,337
Share based payment	-	-	44,703	-	44,703
At 1 January 2018	687,819	10,550,297	330,703	(6,011,639)	5,557,180
Comprehensive income for the year					
Loss for the year	-	-	-	(1,122,474)	(1,122,474)
Shares issued during the year	2,364	-	-	-	2,364
Transfer to/from profit and loss account	-	-	(330,703)	328,339	(2,364)
SPA reserve	-	-	4,100,314	-	4,100,314
At 31 December 2018	690,183	10,550,297	4,100,314	(6,805,774)	8,535,020

FORMFORMFORM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(3,825,063)	(3,254,367)
Adjustments for:		
Amortisation of intangible assets	143,975	113,998
Depreciation of tangible assets	221,597	181,605
Interest paid	233,577	337,717
Decrease/(increase) in stocks	139,909	(280,999)
Decrease/(increase) in debtors	247,060	(45,667)
(Decrease)/increase in creditors	(1,967,170)	1,378,524
Foreign exchange	(386,272)	(74,073)
Profit on sale of fixed assets	38,254	44,703
Net cash generated from operating activities	(5,154,133)	(1,598,559)
Cash flows from investing activities		
Purchase of intangible fixed assets	(46,468)	(171,388)
Purchase of tangible fixed assets	(27,506)	(431,070)
Net cash from investing activities	(73,974)	(602,458)

FORMFORMFORM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from financing activities		
Issue of ordinary shares	2,364	1,795,337
Repayment of loans	(2,588,124)	(300,000)
Other new loans	4,000,000	402,082
Repayment of/new finance leases	(62,120)	(56,107)
Interest paid	(169,575)	(210,793)
Capital contribution	4,100,314	-
Net cash used in financing activities	5,282,859	1,630,519
Net increase/(decrease) in cash and cash equivalents	54,752	(570,498)
Cash and cash equivalents at beginning of year	559,519	1,130,017
Cash and cash equivalents at the end of year	614,271	559,519
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	614,271	559,519
	614,271	559,519

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

FormFormForm Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Exemptions under the reduced disclosure framework

The parent company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation; and
- reduced disclosures for share-based payments (as equivalent disclosures have been given in the consolidated financial statements presented alongside the Parent Company's own financial statements).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Going concern

The Group incurred a net loss of £3,825,063 (2017: net loss of £3,254,367) during the year ended 31 December 2018 and, at that date, it had net current assets of £1,980,617 (2017: net current liabilities £1,251,279). The Group has received a letter of support from its immediate Parent Company, tesa SE, to meet its financial commitments as they fall due, for a minimum of 12 months from the date of the signing of the audit report in these financial statements. As a result of this ongoing financial support, the Directors believe that the Group is a going concern and thus these financial statements are accounted for under the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Intangible assets

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	5% to 10% straight line
Website development	-	33% straight line
Software	-	20% straight line
Trademarks	-	10% straight line

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

L/Term leasehold property	- straight line over remainder of lease
Plant and machinery	- 10% to 20% straight line
Office equipment and fittings	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on standard cost. Work in progress and finished goods include all direct costs and appropriate proportion of fixed and variable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

FORMFORMFORM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.11 Finance costs

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

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Consolidated Statement of Comprehensive Income is charged with fair value of goods and services received.

2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Leasing and hire purchase

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

2.15 Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.16 Research and development

Research and development expenditures are charged to the Statement of Comprehensive Income in the year in which they are incurred.

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

Critical accounting judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This included consideration of the form of the instrument and its return.

Key sources of estimation uncertainty

Bad debt provisions

The trade debtors balance of £838,317 recorded in the Consolidated Balance Sheet comprise a number of small balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sale of goods	3,334,660	5,428,652
	<u>3,334,660</u>	<u>5,428,652</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	1,488,453	1,293,451
Rest of the world	1,846,207	4,135,201
	<u>3,334,660</u>	<u>5,428,652</u>

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Other operating income

	2018 £	2017 £
Recharges to group undertakings	338,653	-
	<u>338,653</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	221,597	131,144
Depreciation of assets held under finance leases	50,936	50,461
Amortisation of intangible assets, including goodwill	143,975	113,998
Research and development	101,667	45,895
Exchange differences	2,611	4,399
Other operating lease rentals	197,346	199,566
Share based payment	-	44,703
Defined contribution pension cost	95,838	94,350
Amount of inventories recognised as an expense during the period	<u>1,398,521</u>	<u>1,687,214</u>

7. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>25,000</u>	<u>46,900</u>

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	2,939,637	2,939,447	2,514,544	2,692,653
Social security costs	262,828	263,079	235,984	244,793
Cost of defined contribution scheme	95,838	94,350	95,323	89,807
Redundancy payments	39,000	-	39,000	-
	<u>3,337,303</u>	<u>3,296,876</u>	<u>2,884,851</u>	<u>3,027,253</u>

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

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Business operations	13	13	12	13
Creative & marketing	9	11	10	11
Production	24	30	23	29
Research & development	8	7	8	7
Sales	11	8	8	7
	<u>65</u>	<u>69</u>	<u>61</u>	<u>67</u>

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	208,303	294,761
Amounts paid to third parties in respect of directors' services	54,635	161,751
	<u>262,938</u>	<u>456,512</u>

The highest paid director received remuneration of £109,229 (2017: £120,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,746 (2017: £4,800).

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. Interest payable and similar expenses

	2018 £	2017 £
Interest payable	177,681	337,717
Interest payable to group undertakings	55,897	-
	<u>233,578</u>	<u>337,717</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	197,857
Total current tax	<u>-</u>	<u>197,857</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(3,825,063)</u>	<u>(3,452,224)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(726,762)	(650,937)
Effects of:		
Fixed asset differences	1,200	3,934
Other timing differences leading to an increase in taxation	108,318	432
Difference in tax rates from overseas trade	(463,385)	55,562
Other timing differences leading to an increase in taxation	-	180
Adjustment in research and development tax credit leading to a decrease in the tax charge	-	(148,440)
Tax credits	-	186,550
Unrelieved tax losses carried forward	1,080,629	354,862
Total tax charge for the year	<u>-</u>	<u>(197,857)</u>

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Taxation (continued)

Factors that may affect future tax charges

A potential deferred tax asset has not been recognised in respect of trading losses carried forward of £13,983,222 (2017: £10,229,206) due to the inherent uncertainty regarding timing of future profits.

12. Intangible assets

Group

	Patents £	Website develop- ment £	Trademarks £	Software £	Total £
Cost					
At 1 January 2018	240,620	436,667	78,568	318,035	1,073,890
Additions	5,470	21,676	16,320	3,002	46,468
At 31 December 2018	246,090	458,343	94,888	321,037	1,120,358
Amortisation					
At 1 January 2018	71,987	372,486	22,618	33,533	500,624
Charge for the year	28,706	43,656	8,310	63,303	143,975
At 31 December 2018	100,693	416,142	30,928	96,836	644,599
Net book value					
At 31 December 2018	145,397	42,201	63,960	224,201	475,759
At 31 December 2017	168,633	64,181	55,950	284,502	573,266

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Intangible assets (continued)

Company

	Patents £	Website develop- ment £	Trademarks £	Software £	Total £
Cost					
At 1 January 2018	240,620	436,667	78,568	298,045	1,053,900
Additions	5,470	21,676	16,320	2,520	45,986
At 31 December 2018	246,090	458,343	94,888	300,565	1,099,886
Amortisation					
At 1 January 2018	71,987	372,486	22,618	33,533	500,624
Charge for the year	28,706	43,656	8,310	59,774	140,446
At 31 December 2018	100,693	416,142	30,928	93,307	641,070
Net book value					
At 31 December 2018	145,397	42,201	63,960	207,258	458,816
At 31 December 2017	168,633	64,181	55,950	264,512	553,276

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Tangible fixed assets

Group

	L/Term leasehold property £	Plant and machinery £	Office equipment and fittings £	Total £
Cost				
At 1 January 2018	425,769	1,107,524	232,670	1,765,963
Additions	-	4,557	22,949	27,506
Disposals	-	(25,756)	(14,991)	(40,747)
At 31 December 2018	425,769	1,086,325	240,628	1,752,722
Depreciation				
At 1 January 2018	64,292	359,298	157,435	581,025
Charge for the year	45,818	145,006	30,773	221,597
Disposals	-	171	(2,664)	(2,493)
At 31 December 2018	110,110	504,475	185,544	800,129
Net book value				
At 31 December 2018	315,659	581,850	55,084	952,593
At 31 December 2017	361,477	748,226	75,235	1,184,938

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

	2018 £	2017 £
Plant and machinery	69,496	120,431
	<u>69,496</u>	<u>120,431</u>

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Tangible fixed assets (continued)

Company

	L/Term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2018	425,769	1,107,524	231,998	1,765,291
Additions	-	4,557	22,716	27,273
Disposals	-	(25,756)	(14,991)	(40,747)
At 31 December 2018	425,769	1,086,325	239,723	1,751,817
Depreciation				
At 1 January 2018	64,292	359,298	157,268	580,858
Charge for the year	45,818	145,006	30,536	221,360
Disposals	-	171	(2,664)	(2,493)
At 31 December 2018	110,110	504,475	185,140	799,725
Net book value				
At 31 December 2018	315,659	581,850	54,583	952,092
At 31 December 2017	361,477	748,226	74,730	1,184,433

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. Fixed asset investments

Company

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost and net book value			
At 1 January 2018	649	1,327,597	1,328,246
Additions	-	139,650	139,650
At 31 December 2018	649	1,467,247	1,467,896

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Holding
Sugru Inc.	251 Little Falls Drive, Wilmington, DE 19808	Trading company	100%

15. Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Raw materials and consumables	330,040	333,527	328,566	328,733
Work in progress	24,029	65,967	24,019	65,948
Finished goods and goods for resale	201,800	296,284	128,323	112,335
	555,869	695,778	480,908	507,016

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	838,317	1,361,704	339,809	556,046
Amounts owed by group undertakings	341,338	-	8,769,828	4,992,131
Other debtors	332,370	459,648	298,927	459,648
Prepayments and accrued income	169,981	110,077	168,754	109,266
	<u>1,682,006</u>	<u>1,931,429</u>	<u>9,577,318</u>	<u>6,117,091</u>

17. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	<u>614,271</u>	<u>559,519</u>	<u>322,687</u>	<u>343,692</u>

18. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	-	1,685,942	-	1,685,942
Loans from group undertakings	4,055,897	-	4,055,897	-
Trade creditors	382,657	1,050,371	319,782	911,150
Other taxation and social security	79,913	353,191	79,913	349,430
Obligations under finance lease and hire purchase contracts	25,998	34,025	25,998	34,025
Other creditors	41,846	853,669	42,105	210,225
Accruals and deferred income	246,452	460,807	201,002	337,633
	<u>4,832,763</u>	<u>4,438,005</u>	<u>4,724,697</u>	<u>3,528,405</u>

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Other loans	-	902,182	-	902,182
Net obligations under finance leases and hire purchase contracts	-	45,987	-	45,987
	<u>-</u>	<u>948,169</u>	<u>-</u>	<u>948,169</u>

20. Loans

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts falling due within one year				
Bank loans	-	1,685,942	-	1,685,942
Loans from group undertakings	4,055,897	-	4,055,897	-
	<u>4,055,897</u>	<u>1,685,942</u>	<u>4,055,897</u>	<u>1,685,942</u>
Amounts falling due 2-5 years				
Other loans	-	902,182	-	902,182
	<u>-</u>	<u>902,182</u>	<u>-</u>	<u>902,182</u>
	<u>4,055,897</u>	<u>2,588,124</u>	<u>4,055,897</u>	<u>2,588,124</u>

Other loans

On 24 May 2018, Tesa SE granted a £10 million credit facility to the Company. Funds are granted in short term loan tranches with a minimum value of £100k and a minimum tenor of 1 month and a maximum tenor of 1 year less one day. All tranches drawdown as at 31 December 2018 had an interest rate of 3.23%.

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Within one year	25,998	34,025	25,998	34,025
Between 1-2 years	-	45,987	-	45,987
	<u>25,998</u>	<u>80,012</u>	<u>25,998</u>	<u>80,012</u>

22. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets				
Financial assets measured at amortised cost	<u>1,874,111</u>	<u>1,937,260</u>	<u>9,479,066</u>	<u>7,235,503</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,752,802)</u>	<u>(4,974,242)</u>	<u>(4,648,707)</u>	<u>(4,100,757)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and accrued income.

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

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

23. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
24,498,466 (2017 - 24,403,906) A Ordinary shares of £0.025 each	612,462	610,098
3,108,858 (2017 - 3,108,858) B Investment shares of £0.025 each	77,721	77,721
	<u>690,183</u>	<u>687,819</u>

A Ordinary shareholders must first offer their shares to other A Ordinary shareholders should they wish to sell any A ordinary shares. B Investment shareholders are entitled to transfer or transmit B Investment shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment shareholder's entire holding of B Investment shares to a single transferee.

B Investment shares shall have no voting rights attached to them, and holders of B investment shares shall not have the right to receive notices of any general meetings, or the right to attend such general meetings.

During the year, the Company issued 94,560 ordinary A shares at £0.025 each.

B Investment shares shall have no voting rights attached to them, and holders of B investment shares shall not have the right to receive notices of any general meetings, or the right to attend such general meetings.

A Ordinary shareholders must first offer their shares to other A Ordinary shareholders should they wish to sell any A ordinary shares. B Investment shareholders are entitled to transfer or transmit B Investment shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment shareholder's entire holding of B Investment shares to a single transferee.

24. Reserves

Share premium account

This reserve represents the consideration paid in excess of the nominal value of shares issued. This reserve is not distributable.

Foreign exchange reserve

This reserve relates to the retranslation of foreign subsidiaries to the Group functional currency, being GBP.

Other reserves

This represents the reserve for share based payments of £Nil (2017: £330,703) and capital contributions of £4,100,314 (2017: £Nil) at the Balance Sheet date

Profit & loss account

This represents accumulated realised losses incurred by the Group.

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

25. Share based payments

The Company has a share options scheme for all employees (including directors). Options are exercisable at a price determined through each individual option agreement. Options have varying vesting terms, with the majority expiring after 10 years and vesting upon the Group meeting certain performance targets.

Details of the number of share options and the weighted average price outstanding during the year are as follows:

	Weighted average exercise price (pence) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
Outstanding at the beginning of the year	400	2,863,831	360	2,017,172
Granted during the year	-	-	500	902,574
Forfeited during the year	-	-	380	(55,915)
Exercised during the year	111	(94,560)	-	-
Expired during the year	439	(2,769,271)	-	-
Outstanding at the end of the year	0	-	400	2,863,831

The Company recognised total expenses of £Nil (2017: £44,703) in relation to equity settled share based payment transactions during the year, resulting in a share-based payment reserve of the same amount. Fair values were calculated using the Black-Scholes method.

26. Commitments under operating leases

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	184,463	170,900	184,463	170,900
Later than 1 year and not later than 5 years	274,717	445,617	274,717	445,617
	459,180	616,517	459,180	616,517

FORMFORMFORM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

27. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 to not disclose transactions with wholly owned group entities.

During the year, management fees of £48,000 (2017: £83,000) were charged by Nolah Enterprises Limited a personal company of R E Ashby. These amounts are included within directors' emoluments.

During the year, management fees of £11,936 (2017: £35,516) were charged by Viadynamics Limited, a personal company of W Sermon and C J Thompson. These amounts are included within directors' emoluments.

During the year, management fees of £13,541 (2017: £42,935) were charged by Zedma Limited, a personal company of C V.A Nunn. These amounts are included within directors' emoluments.

At the Balance Sheet date, £33,994 (2017: £33,994) was owed to J Delehanty, a director. These amounts are included within directors' emoluments.

28. Post Balance Sheet events

Subsequent to the year end FormFormForm Ltd entered into an IP Transfer Agreement with its parent company Tesa SE, whereby the Company would transfer all its rights, title and interest in its intellectual property to Tesa SE. The consideration payable by Tesa for this transfer totalled €2.3m, generating a profit on disposal. The consideration was effectively netted off against the existing intercompany loan between the two entities.

Another significant event was a shift in production operations from Mexico to Germany in early 2019. This involved the cessation of operations in Mexico and engagement with a new production partner, Isi Kriz in Germany around March 2019.