

REGISTERED NUMBER: 02105252 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 April 2019
for
Chase Products Limited

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for the Year Ended 30 April 2019

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DIRECTORS:

Mrs S E Wheeler
M R Wheeler
S J Wheeler
Mrs E H Wheeler
Mrs H E Wheeler

SECRETARY:

S J Wheeler

REGISTERED OFFICE:

Kington Road
Weobley
Herefordshire
HR4 8QU

REGISTERED NUMBER:

02105252 (England and Wales)

AUDITORS:

Thorne & Co.
Accountants and Statutory Auditor
1 St Mary's Street
Ross-on-Wye
Herefordshire
HR9 5HT

Group Strategic Report
for the Year Ended 30 April 2019

The directors present their strategic report of the company and the group for the year ended 30 April 2019.

REVIEW OF BUSINESS

Turnover and gross margin has increased.

Research and development activity continues to focus on developing new materials and manufacturing techniques for new and existing customers.

The directors have continued to support R&D, and significant capital investment has been committed to extend the company's capabilities and satisfy customers' requirements.

Demand for technical rubber products that provide customers with a competitive advantage is expected to increase. High barriers to entry limits the threat of competition for this anticipated increase in demand.

A wholly owned manufacturing subsidiary in the Czech Republic is performing satisfactorily and provides the option to supply customers from an EU facility.

The group's key financial and other performance indicators during the year were as follows:

	2019	2018
Debtor days	51	49
Creditor days	75	76
Stock days	126	108

PRINCIPAL RISKS AND UNCERTAINTIES

Through the year a global shortage of silicone rubber led to supply issues and unprecedented price increases. The group leveraged relationships with suppliers and adapted formulations (where possible) to maintain continuity of supply.

Brexit may affect the group with regards to logistics and tariffs:

	Purchased goods and deliveries to non-UK customers may be compromised in the short term due to increased friction at ports. The group's freight forwarders are well placed to deal with logistical changes and the company has increased stock holding.
Logistics	
Tariffs	The group supplies a very diverse range of products, and while individual customers may be affected by specific increases there is no anticipated risk to the group.

ON BEHALF OF THE BOARD:

S J Wheeler - Director

28 January 2020

Report of the Directors
for the Year Ended 30 April 2019

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2019.

DIVIDENDS

Interim dividends per share were paid as follows:

£0.575	- 4 May 2018
£0.575	- 3 August 2018
£0.575	- 2 November 2018
<u>£0.575</u>	- 12 April 2019
<u>£2.30</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 2019 will be £ 648,600 .

RESEARCH AND DEVELOPMENT

The group has a history of research and development activity which will increase as new opportunities are presented.

FUTURE DEVELOPMENTS

The group continues to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2018 to the date of this report.

Mrs S E Wheeler
M R Wheeler
S J Wheeler
Mrs E H Wheeler
Mrs H E Wheeler

FINANCIAL INSTRUMENTS

Working capital is provided by cash and short-term borrowings. Capital expenditure is funded by cash and/or longer term debt.

Regular management accounts allow for financial risks to be identified and addressed, with cross currency exposure the biggest current risk. This is managed by balancing invoicing and purchasing currencies wherever possible. The group does not currently hedge against these risks as the benefits of entering into such agreements is not considered to outweigh the costs.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 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.

Report of the Directors
for the Year Ended 30 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

S J Wheeler - Director

28 January 2020

Report of the Independent Auditors to the Members of
Chase Products Limited

Opinion

We have audited the financial statements of Chase Products Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and 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 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 group's and of the parent company affairs as at 30 April 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on pages three and four, 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 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 and 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Edward Richards (Senior Statutory Auditor)
for and on behalf of Thorne & Co.
Accountants and Statutory Auditor
1 St Mary's Street
Ross-on-Wye
Herefordshire
HR9 5HT

28 January 2020

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Consolidated Income Statement
for the Year Ended 30 April 2019

	Notes	30.4.19 £	30.4.18 £
TURNOVER	3	13,937,153	12,948,513
Cost of sales		<u>7,970,902</u>	<u>7,449,085</u>
GROSS PROFIT		5,966,251	5,499,428
Administrative expenses		<u>4,416,702</u>	<u>4,126,224</u>
		1,549,549	1,373,204
Other operating income		<u>3,000</u>	<u>3,000</u>
OPERATING PROFIT		1,552,549	1,376,204
Interest receivable and similar income		<u>37</u>	<u>-</u>
		1,552,586	1,376,204
Interest payable and similar expenses	5	62,923	81,453
PROFIT BEFORE TAXATION	6	<u>1,489,663</u>	<u>1,294,751</u>
Tax on profit	7	<u>140,463</u>	<u>28,889</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,349,200</u>	<u>1,265,862</u>
Profit attributable to: Owners of the parent		<u>1,349,200</u>	<u>1,265,862</u>

Consolidated Other Comprehensive Income
for the Year Ended 30 April 2019

Notes	30.4.19 £	30.4.18 £
PROFIT FOR THE YEAR	1,349,200	1,265,862
OTHER COMPREHENSIVE INCOME		
Foreign currency translation	(20,135)	61,953
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(20,135)	61,953
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,329,065</u>	<u>1,327,815</u>
Total comprehensive income attributable to: Owners of the parent	<u>1,329,065</u>	<u>1,327,815</u>

Consolidated Balance Sheet
30 April 2019

	Notes	30.4.19 £	£	30.4.18 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11	3,810,271		3,616,151	
Investments	12		-		-
		<u>3,810,271</u>		<u>3,616,151</u>	
CURRENT ASSETS					
Stocks	13	2,410,885		1,907,258	
Debtors	14	2,911,418		2,330,104	
Cash at bank and in hand		<u>242,034</u>		<u>117,248</u>	
		5,564,337		4,354,610	
CREDITORS					
Amounts falling due within one year	15	<u>4,104,231</u>		<u>3,695,059</u>	
NET CURRENT ASSETS			<u>1,460,106</u>		<u>659,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,270,377		4,275,702
CREDITORS					
Amounts falling due after more than one year	16		(1,211,073)		(1,028,728)
PROVISIONS FOR LIABILITIES	20		<u>(150,708)</u>		<u>(18,843)</u>
NET ASSETS			<u>3,908,596</u>		<u>3,228,131</u>
CAPITAL AND RESERVES					
Called up share capital	21		282,000		282,000
Capital redemption reserve	22		300,000		300,000
Retained earnings	22		<u>3,326,596</u>		<u>2,646,131</u>
SHAREHOLDERS' FUNDS			<u>3,908,596</u>		<u>3,228,131</u>

The financial statements were approved by the Board of Directors on 28 January 2020 and were signed on its behalf by:

S J Wheeler - Director

Company Balance Sheet
30 April 2019

	Notes	30.4.19 £	£	30.4.18 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11	1,338,150		1,387,315	
Investments	12	<u>858,457</u>		<u>858,457</u>	
		2,196,607		2,245,772	
CURRENT ASSETS					
Debtors	14	430,301		411,408	
Cash at bank and in hand		<u>4,856</u>		<u>66,103</u>	
		435,157		477,511	
CREDITORS					
Amounts falling due within one year	15	<u>361,747</u>		<u>369,276</u>	
NET CURRENT ASSETS			<u>73,410</u>		<u>108,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,270,017		2,354,007
CREDITORS					
Amounts falling due after more than one year	16		(502,273)		(525,909)
PROVISIONS FOR LIABILITIES	20		<u>(16,967)</u>		<u>(18,843)</u>
NET ASSETS			<u>1,750,777</u>		<u>1,809,255</u>
CAPITAL AND RESERVES					
Called up share capital	21	282,000		282,000	
Capital redemption reserve	22	300,000		300,000	
Retained earnings	22	<u>1,168,777</u>		<u>1,227,255</u>	
SHAREHOLDERS' FUNDS			<u>1,750,777</u>		<u>1,809,255</u>
Company's profit for the financial year			<u>590,122</u>		<u>609,127</u>

The financial statements were approved by the Board of Directors on 28 January 2020 and were signed on its behalf by:

S J Wheeler - Director

Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2019

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2017	282,000	1,903,466	300,000	2,485,466
Changes in equity				
Dividends	-	(585,150)	-	(585,150)
Total comprehensive income	-	1,327,815	-	1,327,815
Balance at 30 April 2018	<u>282,000</u>	<u>2,646,131</u>	<u>300,000</u>	<u>3,228,131</u>
Changes in equity				
Dividends	-	(648,600)	-	(648,600)
Total comprehensive income	-	1,329,065	-	1,329,065
Balance at 30 April 2019	<u>282,000</u>	<u>3,326,596</u>	<u>300,000</u>	<u>3,908,596</u>

Company Statement of Changes in Equity
for the Year Ended 30 April 2019

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2017	282,000	1,203,278	300,000	1,785,278
Changes in equity				
Dividends	-	(585,150)	-	(585,150)
Total comprehensive income	-	609,127	-	609,127
Balance at 30 April 2018	<u>282,000</u>	<u>1,227,255</u>	<u>300,000</u>	<u>1,809,255</u>
Changes in equity				
Dividends	-	(648,600)	-	(648,600)
Total comprehensive income	-	590,122	-	590,122
Balance at 30 April 2019	<u>282,000</u>	<u>1,168,777</u>	<u>300,000</u>	<u>1,750,777</u>

Consolidated Cash Flow Statement
for the Year Ended 30 April 2019

	Notes	30.4.19 £	30.4.18 £
Cash flows from operating activities			
Cash generated from operations	28	942,245	1,224,823
Interest paid		(76,379)	(59,006)
Interest element of hire purchase payments paid		(6,119)	(6,627)
Tax paid		(43,189)	(56,725)
Taxation refund		8,889	-
Net cash from operating activities		<u>825,447</u>	<u>1,102,465</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(458,816)	(196,074)
Sale of tangible fixed assets		-	100
Interest received		37	-
Net cash from investing activities		<u>(458,779)</u>	<u>(195,974)</u>
Cash flows from financing activities			
New loans in year		811,767	550,000
Loan repayments in year		(593,400)	(516,708)
Capital repayments in year		(60,242)	(46,369)
Equity dividends paid		(648,600)	(585,150)
Net cash from financing activities		<u>(490,475)</u>	<u>(598,227)</u>
(Decrease)/increase in cash and cash equivalents		<u>(123,807)</u>	<u>308,264</u>
Cash and cash equivalents at beginning of year	29	(1,294,747)	(1,587,214)
Effect of foreign exchange rate changes		<u>(7,104)</u>	<u>(15,797)</u>
Cash and cash equivalents at end of year	29	<u>(1,425,658)</u>	<u>(1,294,747)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2019

1. STATUTORY INFORMATION

Chase Products Limited is a private company, limited by shares, registered in England and Wales.

The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the company is that of a holding company providing management services to its subsidiary companies. The company has three subsidiaries. The principal activity of the UK trading subsidiary is the manufacture, design and development of fluorosilicone, silicone and fluorocarbon compounds, mouldings and extrusions. The principal activity of the subsidiary incorporated in the Czech Republic is the manufacture of rubber mouldings. The third subsidiary has been dormant since 30 April 2003.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company early adopted the Amendments to FRS 102 'Triennial review 2017' in its previous financial year.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all of its subsidiary undertakings drawn up to 30 April 2019. These subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and cash flow statement include the results and cash flows of subsidiaries from date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Significant judgements and estimates

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Turnover

Turnover represents amounts invoiced by the group in respect of goods and services provided and the value of work done, excluding value added tax.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial

year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their estimated useful economic life as follows:

Purchased goodwill arising on consolidation	- 20 years
Purchased goodwill	- 5 years

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost and 10% reducing balance
Assets under construction	- not provided
Plant and machinery	- 25% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance, 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**2. ACCOUNTING POLICIES - continued****Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The trading results of overseas subsidiary undertakings are translated at the average exchange rates for the year. The assets and liabilities of overseas subsidiary undertakings are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslated of the opening net assets, and from the translation of the profits or losses at average rates, are taken to reserves. All other translation differences are taken to the profit and loss account.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet.

Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.4.19	30.4.18
	£	£
United Kingdom	9,985,012	10,045,557
Europe	2,555,100	2,128,761
Rest of world	1,397,041	774,195
	<u>13,937,153</u>	<u>12,948,513</u>

4. EMPLOYEES AND DIRECTORS

	30.4.19	30.4.18
	£	£
Wages and salaries	3,965,116	3,773,007
Social security costs	310,296	290,236
Other pension costs	416,226	333,079
	<u>4,691,638</u>	<u>4,396,322</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	30.4.19	30.4.18
Administration and support	46	45
Production	<u>139</u>	<u>136</u>
	<u>185</u>	<u>181</u>

	30.4.19	30.4.18
	£	£
Directors' remuneration	426,133	509,836
Directors' pension contributions to money purchase schemes	<u>190,055</u>	<u>130,973</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>6</u>	<u>6</u>
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Information regarding the highest paid director is as follows:

	30.4.19	30.4.18
	£	£
Emoluments etc	98,224	98,669
Pension contributions to money purchase schemes	<u>91,745</u>	<u>20,413</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.4.19	30.4.18
	£	£
Bank interest	4,559	8,145
Bank loan interest	21,271	15,295
Other interest	537	1,074
Loan interest	30,437	50,312
Hire purchase interest	<u>6,119</u>	<u>6,627</u>
	<u>62,923</u>	<u>81,453</u>

6. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	30.4.19	30.4.18
	£	£
Other operating leases	99,787	101,953
Depreciation - owned assets	287,377	277,673
Depreciation - assets on hire purchase contracts	34,663	30,932
Auditors' remuneration	11,120	11,120
Other non- audit services	33,270	32,420
Foreign exchange differences	<u>(21,542)</u>	<u>17,230</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**7. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.4.19	30.4.18
	£	£
Current tax:		
UK corporation tax	8,598	4,800
Foreign tax	-	<u>21,181</u>
Total current tax	<u>8,598</u>	<u>25,981</u>
Deferred tax:		
Deferred tax	133,741	-
Origination and reversal of timing differences	<u>(1,876)</u>	<u>2,908</u>
Total deferred tax	<u>131,865</u>	<u>2,908</u>
Tax on profit	<u>140,463</u>	<u>28,889</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.4.19	30.4.18
	£	£
Profit before tax	<u>1,489,663</u>	<u>1,294,751</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	283,036	246,003
Effects of:		
Expenses not deductible for tax purposes	12,291	12,196
Depreciation in excess of capital allowances	167,564	162,056
Utilisation of tax losses	(112,314)	(91,763)
Research and development tax credit	(136,410)	(128,707)
Other short-term timing differences	(2,960)	(2,928)
Losses carried forward	(53,956)	(166,270)
Effect of changes in tax rates	(15,513)	(330)
Lower tax rate on overseas profits	-	(6)
Other	<u>(1,275)</u>	<u>(1,362)</u>
Total tax charge	<u>140,463</u>	<u>28,889</u>

Tax effects relating to effects of other comprehensive income

	Gross	30.4.19	Net
	£	Tax	£
Foreign currency translation	<u>(20,135)</u>	<u>-</u>	<u>(20,135)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 20197. **TAXATION - continued**

	Gross £	30.4.18 Tax £	Net £
Foreign currency translation	<u>61,953</u>	<u>-</u>	<u>61,953</u>

8. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. **DIVIDENDS**

	30.4.19 £	30.4.18 £
Ordinary shares of £1 each Interim	<u>648,600</u>	<u>585,150</u>

10. **INTANGIBLE FIXED ASSETS****Group****COST**

At 1 May 2018
and 30 April 2019

AMORTISATION

At 1 May 2018
and 30 April 2019

NET BOOK VALUE

At 30 April 2019

At 30 April 2018

Goodwill
£

573,098

573,098

-

-

Company**COST**

At 1 May 2018
and 30 April 2019

AMORTISATION

At 1 May 2018
and 30 April 2019

NET BOOK VALUE

At 30 April 2019

At 30 April 2018

Goodwill
£

20,000

20,000

-

-

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019

11. **TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Assets under construction £	Plant and machinery £
COST			
At 1 May 2018	3,145,530	7,264	4,405,067
Additions	150,996	-	384,389
Exchange differences	(24,787)	(171)	(14,137)
At 30 April 2019	<u>3,271,739</u>	<u>7,093</u>	<u>4,775,319</u>
DEPRECIATION			
At 1 May 2018	783,660	-	3,322,068
Charge for year	60,627	-	214,587
Exchange differences	(778)	-	(10,500)
At 30 April 2019	<u>843,509</u>	<u>-</u>	<u>3,526,155</u>
NET BOOK VALUE			
At 30 April 2019	<u>2,428,230</u>	<u>7,093</u>	<u>1,249,164</u>
At 30 April 2018	<u>2,361,870</u>	<u>7,264</u>	<u>1,082,999</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 May 2018	844,097	57,590	8,459,548
Additions	8,667	-	544,052
Exchange differences	(1,905)	-	(41,000)
At 30 April 2019	<u>850,859</u>	<u>57,590</u>	<u>8,962,600</u>
DEPRECIATION			
At 1 May 2018	712,604	25,065	4,843,397
Charge for year	38,694	8,132	322,040
Exchange differences	(1,830)	-	(13,108)
At 30 April 2019	<u>749,468</u>	<u>33,197</u>	<u>5,152,329</u>
NET BOOK VALUE			
At 30 April 2019	<u>101,391</u>	<u>24,393</u>	<u>3,810,271</u>
At 30 April 2018	<u>131,493</u>	<u>32,525</u>	<u>3,616,151</u>

Included in cost of land and buildings is freehold land of £252,520 (2018 - £254,701) which is not depreciated.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**11. TANGIBLE FIXED ASSETS - continued****Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2018	77,550	26,165	38,394	142,109
Additions	<u>249,662</u>	<u>-</u>	<u>-</u>	<u>249,662</u>
At 30 April 2019	<u>327,212</u>	<u>26,165</u>	<u>38,394</u>	<u>391,771</u>
DEPRECIATION				
At 1 May 2018	23,168	6,950	6,399	36,517
Charge for year	<u>21,859</u>	<u>4,804</u>	<u>8,000</u>	<u>34,663</u>
At 30 April 2019	<u>45,027</u>	<u>11,754</u>	<u>14,399</u>	<u>71,180</u>
NET BOOK VALUE				
At 30 April 2019	<u>282,185</u>	<u>14,411</u>	<u>23,995</u>	<u>320,591</u>
At 30 April 2018	<u>54,382</u>	<u>19,215</u>	<u>31,995</u>	<u>105,592</u>

Company

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2018 and 30 April 2019	<u>2,093,135</u>	<u>37,498</u>	<u>38,394</u>	<u>2,169,027</u>
DEPRECIATION				
At 1 May 2018	750,637	24,676	6,399	781,712
Charge for year	<u>38,864</u>	<u>2,301</u>	<u>8,000</u>	<u>49,165</u>
At 30 April 2019	<u>789,501</u>	<u>26,977</u>	<u>14,399</u>	<u>830,877</u>
NET BOOK VALUE				
At 30 April 2019	<u>1,303,634</u>	<u>10,521</u>	<u>23,995</u>	<u>1,338,150</u>
At 30 April 2018	<u>1,342,498</u>	<u>12,822</u>	<u>31,995</u>	<u>1,387,315</u>

Included in cost of land and buildings is freehold land of £ 162,103 (2018 - £ 162,103) which is not depreciated.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**11. TANGIBLE FIXED ASSETS - continued****Company**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 May 2018 and 30 April 2019	<u>38,394</u>
DEPRECIATION	
At 1 May 2018	6,399
Charge for year	8,000
At 30 April 2019	<u>14,399</u>
NET BOOK VALUE	
At 30 April 2019	<u>23,995</u>
At 30 April 2018	<u>31,995</u>

12. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertaking £
COST	
At 1 May 2018 and 30 April 2019	<u>858,457</u>
NET BOOK VALUE	
At 30 April 2019	<u>858,457</u>
At 30 April 2018	<u>858,457</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Primasil Silicones Limited**

Registered office: Kington Road, Weobley, Herefordshire HR4 8QU
Nature of business: silicone compounds, mouldings and extrusions

	%		
Class of shares:	holding		
Ordinary	100.00		
3% non-cumulative preference	100.00		
		30.4.19	30.4.18
		£	£
Aggregate capital and reserves		2,204,950	1,433,900
Profit for the year		<u>1,371,050</u>	<u>1,141,428</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 201912. **FIXED ASSET INVESTMENTS - continued****Primasil sro**

Registered office: Gagarinova 1239/1, Mikulov 692 01 Czech Republic

Nature of business: rubber mouldings

Class of shares:	% holding		
Ordinary	100.00	30.4.19	30.4.18
		£	£
Aggregate capital and reserves		819,844	837,192
Profit for the year		<u>2,455</u>	<u>106,333</u>

Medisil Limited

Registered office: Kington Road, Weobley, Herefordshire HR4 8QU

Nature of business: dormant

Class of shares:	% holding		
Ordinary	100.00	30.4.19	30.4.18
		£	£
Aggregate capital and reserves		<u>18,502</u>	<u>18,502</u>

13. **STOCKS**

	Group	
	30.4.19	30.4.18
	£	£
Raw materials	1,423,274	1,069,833
Work-in-progress	316,663	261,710
Finished goods	670,948	575,715
	<u>2,410,885</u>	<u>1,907,258</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Trade debtors	2,195,531	1,930,981	-	-
Amounts owed by group undertakings	-	-	9,365	152,219
Directors' current accounts	344,541	222,913	344,541	222,913
Corporation tax	70,108	40,771	64,587	26,198
Prepayments and accrued income	301,238	135,439	11,808	10,078
	<u>2,911,418</u>	<u>2,330,104</u>	<u>430,301</u>	<u>411,408</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,885,977	1,472,081	53,454	30,000
Other loans (see note 17)	3,112	10,434	-	-
Hire purchase contracts (see note 18)	87,160	30,046	11,386	10,863
Trade creditors	1,442,611	1,351,715	10,574	1,368
Amounts owed to group undertakings	-	-	18,502	18,502
Corporation tax	8,598	4,800	8,598	4,800
Social security and other taxes	112,759	113,911	5,582	5,613
VAT	202,495	195,148	23,822	20,472
Other creditors	50,745	43,317	20,609	7,539
Directors' current accounts	179,990	221,399	179,990	221,399
Accruals and deferred income	130,784	252,208	29,230	48,720
	<u>4,104,231</u>	<u>3,695,059</u>	<u>361,747</u>	<u>369,276</u>

16. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Bank loans (see note 17)	996,539	945,075	485,250	497,500
Hire purchase contracts (see note 18)	214,534	83,653	17,023	28,409
	<u>1,211,073</u>	<u>1,028,728</u>	<u>502,273</u>	<u>525,909</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,667,692	1,411,995	16,454	-
Bank loans	218,285	60,086	37,000	30,000
Other loans	3,112	10,434	-	-
	<u>1,889,089</u>	<u>1,482,515</u>	<u>53,454</u>	<u>30,000</u>
Amounts falling due between two and five years:				
Bank loans	<u>996,539</u>	<u>617,846</u>	<u>485,250</u>	<u>497,500</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>-</u>	<u>327,229</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.4.19	30.4.18
	£	£
Net obligations repayable:		
Within one year	87,160	30,046
Between one and five years	<u>214,534</u>	<u>83,653</u>
	<u>301,694</u>	<u>113,699</u>

Company

	Hire purchase contracts	
	30.4.19	30.4.18
	£	£
Net obligations repayable:		
Within one year	11,386	10,863
Between one and five years	<u>17,023</u>	<u>28,409</u>
	<u>28,409</u>	<u>39,272</u>

Group

	Non-cancellable operating leases	
	30.4.19	30.4.18
	£	£
Within one year	69,960	74,232
Between one and five years	<u>40,629</u>	<u>110,591</u>
	<u>110,589</u>	<u>184,823</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Bank overdraft	1,667,692	1,411,995	16,454	-
Bank loans	1,214,824	1,005,161	522,250	527,500
Hire purchase contracts	<u>301,694</u>	<u>113,699</u>	<u>28,409</u>	<u>39,272</u>
	<u>3,184,210</u>	<u>2,530,855</u>	<u>567,113</u>	<u>566,772</u>

The group's bankers hold a cross guarantee and debenture (see note 24 for further details). They also hold a mortgage secured on the freehold land and buildings and a mortgage debenture over the company's fixed and floating assets. Liabilities under hire purchase contracts are secured specifically on the underlying asset.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**20. PROVISIONS FOR LIABILITIES**

	Group		Company	
	30.4.19	30.4.18	30.4.19	30.4.18
	£	£	£	£
Deferred tax				
Accelerated capital allowances	202,227	18,843	16,967	18,843
Tax losses carried forward	(48,276)	-	-	-
Other timing differences	(3,243)	-	-	-
	<u>150,708</u>	<u>18,843</u>	<u>16,967</u>	<u>18,843</u>

Group

	Deferred tax
	£
Balance at 1 May 2018	18,843
Charge to Income Statement during year	<u>131,865</u>
Balance at 30 April 2019	<u>150,708</u>

Company

	Deferred tax
	£
Balance at 1 May 2018	18,843
Credit to Income Statement during year	<u>(1,876)</u>
Balance at 30 April 2019	<u>16,967</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.19	30.4.18
		£1	£	£
282,000	Ordinary		<u>282,000</u>	<u>282,000</u>

22. RESERVES**Group**

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 May 2018	2,646,131	300,000	2,946,131
Profit for the year	1,349,200		1,349,200
Dividends	(648,600)		(648,600)
Foreign currency translation gains	(20,135)	-	(20,135)
At 30 April 2019	<u>3,326,596</u>	<u>300,000</u>	<u>3,626,596</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**22. RESERVES - continued****Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 May 2018	1,227,255	300,000	1,527,255
Profit for the year	590,122		590,122
Dividends	(648,600)		(648,600)
At 30 April 2019	<u>1,168,777</u>	<u>300,000</u>	<u>1,468,777</u>

23. PENSION COMMITMENTS

Contributions totalling £19,076 (2018 - £15,581) were payable to the scheme at the end of the year and are included in creditors.

24. CONTINGENT LIABILITIES

The UK group members are party to a cross guarantee given to Santander (2018 - Handelsbanken) in respect of group overdraft and loan facilities. The amount guaranteed is £307,731 (2018 - £446,222).

25. CAPITAL COMMITMENTS

	30.4.19 £	30.4.18 £
Contracted but not provided for in the financial statements	<u>480,000</u>	<u>-</u>

26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 April 2019 and 30 April 2018:

	30.4.19 £	30.4.18 £
S J Wheeler		
Balance outstanding at start of year	222,913	172,527
Amounts advanced	348,504	246,046
Amounts repaid	(226,876)	(195,660)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>344,541</u>	<u>222,913</u>

The above loan is unsecured and repayable on demand. Interest is charged at a rate of 2.5% per annum.

27. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102

'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2019**27. RELATED PARTY DISCLOSURES - continued****Key management personnel of the entity or its parent (in the aggregate)**

	30.4.19	30.4.18
	£	£
Dividends	608,062	548,578
Interest payable	19,342	16,755
Interest receivable	7,006	4,882
Amount due from related party	344,541	222,913
Amount due to related party	<u>179,990</u>	<u>221,399</u>

There are no key management personnel other than the directors. Their remuneration is disclosed in note 4 in the accounts.

28. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.4.19	30.4.18
	£	£
Profit before taxation	1,489,663	1,294,751
Depreciation charges	323,560	308,370
Finance costs	62,923	81,453
Finance income	(37)	-
	<u>1,876,109</u>	<u>1,684,574</u>
Increase in stocks	(509,850)	(455,175)
Increase in trade and other debtors	(387,272)	(217,541)
(Decrease)/increase in trade and other creditors	<u>(36,742)</u>	<u>212,965</u>
Cash generated from operations	<u><u>942,245</u></u>	<u><u>1,224,823</u></u>

29. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2019

	30.4.19	1.5.18
	£	£
Cash and cash equivalents	242,034	117,248
Bank overdrafts	<u>(1,667,692)</u>	<u>(1,411,995)</u>
	<u><u>(1,425,658)</u></u>	<u><u>(1,294,747)</u></u>

Year ended 30 April 2018

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	117,248	18,122
Bank overdrafts	<u>(1,411,995)</u>	<u>(1,605,336)</u>
	<u><u>(1,294,747)</u></u>	<u><u>(1,587,214)</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 201930. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.5.18 £	Cash flow £	Other non-cash changes £	At 30.4.19 £
Net cash				
Cash at bank and in hand	117,248	124,786		242,034
Bank overdrafts	(1,411,995)	(255,697)		(1,667,692)
	<u>(1,294,747)</u>	<u>(130,911)</u>		<u>(1,425,658)</u>
Debt				
Finance leases	(113,699)	60,242	(248,237)	(301,694)
Debts falling due within 1 year	(70,520)	(150,877)	-	(221,397)
Debts falling due after 1 year	(945,075)	(51,464)	-	(996,539)
	<u>(1,129,294)</u>	<u>(142,099)</u>	<u>(248,237)</u>	<u>(1,519,630)</u>
Total	<u>(2,424,041)</u>	<u>(273,010)</u>	<u>(248,237)</u>	<u>(2,945,288)</u>