

Registered number: 03471683

DELLNER POLYMER SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



DELLNER POLYMER SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	P M F Åberg N H M Petersson G H Dellner C R Nicolin (resigned 1 June 2023) Mr J M Cain (appointed 11 June 2024)
Registered number	03471683
Registered office	Dellner Silentbloc Uk Limited Wellington Road Burton-On-Trent DE14 2AP
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

DELLNER POLYMER SOLUTIONS LIMITED

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DELLNER POLYMER SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £51,989 (2022 - £1,195,299).

No dividends were paid during the year or the prior year.

Directors

The Directors who served during the year were:

P M F Åberg
N H M Petersson
G H Dellner
C R Nicolin (resigned 1 June 2023)

DELLNER POLYMER SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Going concern

The Financial Statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future. As at 31 December 2023 the Company had net current liabilities of £3,549,205 (2022: £3,678,022) and net assets of £2,907,495 (2022: £2,855,506).

The Company is part of the Dellner Group ("the Group").

The Directors have reviewed the Company's trading and cash forecasts for the year to 31 December 2024, which consider possible changes in trading activities, and these show that the Company will have adequate resources to meet all its liabilities for at least 12 months following the date of signing of these Financial Statements.

The Directors have reviewed the potential risks faced by the Company and considered foreseeable scenarios. They consider that the Company is well placed to meet these challenges and continue to meet its liabilities. Accordingly, the Financial Statements have been prepared on a going concern basis.

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

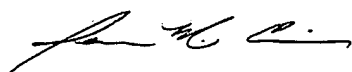
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Mr J M Cain
Director

Date: 16 Dec 2024

DELLNER POLYMER SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Directors present their strategic report for the year ended 31 December 2023

Business review

The principal activity of the company during the period was that of the design, manufacture and distribution of highly engineered polymer and rubber fabrication products, trading under the brand name Dellner Polymer Solutions. The Company continues to supply products and services to OEM and after market sectors.

The Company's main areas of activity are:

- Overhaul, Refurb and Distribution for the Rail industry
- Rubber fabricated products for the Oil & Gas, Mining, Automotive, Medical and Furniture industries.

The Railway Industry continues to be the largest sector for which the business provides overhaul, refurbishment and distribution products. In addition, we are also ISO9001:2015, ISO14001:2015 and RISQS certified. The manufacturing facilities, which are purpose designed to ensure exceptional customer service to this industry, continue to be enhanced and expanded to support the growing business.

In August 2023 the company commenced its strategy to align its manufacturing operations between the two UK sites which will be completed in quarter 1 2024. This will position the Rubber To Metal activity at a single focussed site, with the overhaul and refurbishment business being positioned closer to the customers.

The strategic goal of widening the customer base has proven to be effective and trading is expected to continue to grow into the current year, underpinned by the strong order book and customer reputation.

The forecast for the 2024 Financial year has been produced reflecting the Company's ongoing strong order book, which confirms that the Company remains able to meet its financial obligations as they fall due.

The Company achieved an operating profit of £2,134k before write offs regarding investments in the period (prior year £1,646k). The balance sheet remains strong with net assets of £2,907k (prior year £2,853k).

The KPI's upon which the Company bases financial evaluations are gross profit, EBITDA and ROCE.

	2023	2022
Gross profit	41%	39%
EBITDA	10%	12%
ROCE	5%	4%

The Company operates a wide range of operational and commercial non-financial KPI's that are reviewed at regular Management Meetings.

The workforce

All staff go through an induction process ensuring they are familiar with the company health and safety and values as well as briefings on quality and environmental. The average length of service is 9 years with our longest serving employee of 46 years. 70% of the shopfloor work force is highly skilled and many are multi skilled on various operations. The company offers a salary sacrifice cycle to work scheme, death in service, an employee assistance programme for mental health and advice, a shopping discount scheme as well as staff functions.

DELLNER POLYMER SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

	Male	Female
Directors of the Company	3	0
Employees in other senior executive positions	0	0
Other Employees	27	13

Environmental

The company achieved ISO14001 in September 2022 endorsing its environmental processes. The company has continued to develop and initiate potential new product streams utilising the pyrolysis process, which is used to recover metal components from rubberised products for re-use. This is formally branded as rECOvery.

Energy efficient projects have been completed which includes transferring most of lighting on site to LED, and electricity reduction through machine efficiency. The company continues to look to improve energy use and reduce its impact on the environment.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as competitive, financial instrument risk and the use of derivatives.

Competitive risks

The Company competes in an open market environment across the above named sectors. The Company's customers select their suppliers based on a combination of factors including engineering capability, price, delivery, quality and reputation. The Company has mitigated these risks by, wherever possible, entering into long-term Framework Agreements with a number of its key accounts. The Company also monitors KPI's including on-time delivery, cost of quality and quotation conversion rates to monitor its competitive position.

Use of derivatives

Where appropriate the Company enters into forward agreements specific to contracts to mitigate foreign exchange risk. The Company also operates multi-currency current accounts to benefit from natural hedging. There is limited exposure to interest rate risk, as the Company enters into fixed rate Hire Purchase agreements.

Financial risk management policy

The Company's principal financial investments comprise of cash. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The main risks associated with the Company's financial assets and liabilities are set out below. The Company utilises a contract specific hedging plan and any significant financial risks are addressed on a case-by-case basis.

Price risk

The Company hedges foreign exchange risk on a contract-by-contract basis.

Credit risk

The Company has external debtors; however, the company makes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Interest rate risk

The Company finances its operations through debtor financing. The Company has mitigated the risk of interest rate increases through fixed rates where possible.

DELLNER POLYMER SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

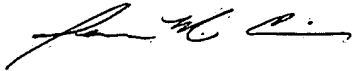
Liquidity risk

The Company's policy is to ensure that it has committed borrowing facilities in place, in excess of its peak forecast borrowings and cash flow projections.

Cash flow risk

The Company manages this risk, by tracking cash daily, forecasting on a quarterly basis and ensuring facilities are available in excess of that forecast.

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



Mr J M Cain
Director

Date: 16 Dec 2024

DELLNER POLYMER SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELLNER POLYMER SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Dellner Polymer Solutions Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, 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 Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

DELLNER POLYMER SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELLNER POLYMER SOLUTIONS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

DELLNER POLYMER SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELLNER POLYMER SOLUTIONS 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and manipulating the Company's key performance indicators to meet management targets.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

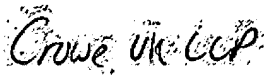
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

DELLNER POLYMER SOLUTIONS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELLNER POLYMER SOLUTIONS LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 19 December 2024

DELLNER POLYMER SOLUTIONS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	10,481,183	9,440,459
Cost of sales		(6,400,997)	(6,266,639)
Gross profit		4,080,186	3,173,820
Distribution costs		(203,185)	(213,787)
Administrative expenses		(1,803,415)	(1,400,588)
Other operating income	5	60,000	86,209
Operating profit	6	2,133,586	1,645,654
Interest payable and similar expenses	10	(1,123,084)	(673,782)
Profit before tax		1,010,502	971,872
Tax on profit	11	(958,513)	223,427
Profit after tax		51,989	1,195,299
Retained earnings at the beginning of the year		1,455,506	260,207
Profit for the year		51,989	1,195,299
Retained earnings at the end of the year		1,507,495	1,455,506

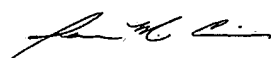
The notes on pages 12 to 26 form part of these financial statements.

DELLNER POLYMER SOLUTIONS LIMITED
REGISTERED NUMBER: 03471683

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	1,257,786	1,259,878
Investments	13	5,445,868	5,445,868
		<u>6,703,654</u>	<u>6,705,746</u>
Current assets			
Stocks	14	1,180,594	944,355
Debtors: amounts falling due within one year	15	10,311,953	9,065,381
Cash at bank and in hand		393,045	168,678
		<u>11,885,592</u>	<u>10,178,414</u>
Creditors: amounts falling due within one year	16	<u>(15,434,797)</u>	<u>(13,856,436)</u>
Net current liabilities		(3,549,205)	(3,678,022)
Total assets less current liabilities		3,154,449	3,027,724
Creditors: amounts falling due after more than one year	17	(246,954)	(172,218)
Net assets		<u>2,907,495</u>	<u>2,855,506</u>
Capital and reserves			
Called up share capital	20	1,000,000	1,000,000
Share premium account		400,000	400,000
Profit and loss account		1,507,495	1,455,506
		<u>2,907,495</u>	<u>2,855,506</u>

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



Mr J M Cain

Director

Date: 16 Dec 2024

The notes on pages 12 to 26 form part of these financial statements.

DELLNER POLYMER SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Company is a private limited company (limited by shares) incorporated and registered in England and Wales, registration number is 03471683.

The registered office is Wellington Road, Burton Upon Trent, Staffordshire, DE14 2AP.

The principal activity of the Company during the year was that of the design, manufacture and distribution of highly engineered polymer products.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hyperbolicum B.V. as at 31 December 2023 and these financial statements may be obtained from the parent company registered office.

DELLNER POLYMER SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Going concern

The Financial Statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future. As at 31 December 2023 the Company had net current liabilities of £3,549,205 (2022: £3,678,022) and net assets of £2,907,495 (2022: £2,855,506).

The Company is part of the Dellner Group ("the Group").

The Directors have reviewed the Company's trading and cash forecasts for the year to 31 December 2024, which consider possible changes in trading activities, and these show that the Company will have adequate resources to meet all its liabilities for at least 12 months following the date of signing of these Financial Statements.

The Directors have reviewed the potential risks faced by the Company and considered foreseeable scenarios. They consider that the Company is well placed to meet these challenges and continue to meet its liabilities. Accordingly, the Financial Statements have been prepared on a going concern basis.

2.4 Revenue

Revenue comprises of income recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are dispatched and services are supplied.

2.5 Operating leases

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

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 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.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 10 - 15 years
Plant and machinery	- 3 - 15 years

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 profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell;

Raw materials, consumables and goods for resale cost is based on the cost of purchase on a first in, first out basis.

Work in progress and finished goods include cost of direct materials, labour and attributable 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 profit or loss.

2.13 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

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

The Company only enters into a basic financial instrument transactions that result in the recognition of the financial assets and liabilities like trade and other debtors and creditors, loans from bank and other third parties, loans to related parties and investments in ordinary shares.

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

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

2.14 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 2 'Tangible fixed assets' for the useful economic lives for each class of assets.

ii) Inventory provisioning

Due to variable customer demand it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required.

When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials with regard to both original equipment and aftermarket requirements. See note 14 for the net carrying amount of the inventory and associated provision.

iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors.

When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, historical experience and the extent to which the debt is protected under the Company's credit insurance arrangements. See note 14 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

5. Other operating income

	2023 £	2022 £
Other operating income	<u>60,000</u>	<u>86,209</u>

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation charge in the year	344,056	256,613
Exchange differences	55,771	(54,825)
Other operating lease rentals	290,945	276,980
	<u> </u>	<u> </u>

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,100	13,500
	<u> </u>	<u> </u>

8. Employees

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

	2023 £	2022 £
Wages and salaries	2,195,132	2,179,770
Social security costs	202,549	229,060
Cost of defined contribution scheme	102,943	108,789
	<u> </u>	<u> </u>
	<u>2,500,624</u>	<u>2,517,619</u>

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

	2023 No.	2022 No.
Employees	<u>56</u>	<u>61</u>

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	114,667	202,861
Company contributions to defined contribution pension schemes	41,200	33,600
	155,867	236,461

During the year retirement benefits were accruing to 1 Director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £114,667 (2022 - £202,861).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £41,200 (2022 - £33,600).

10. Interest payable and similar expenses

	2023	2022
	£	£
Loans from group undertakings	1,085,482	673,782
Finance leases and hire purchase contracts	8,263	-
Other interest payable	29,339	-
	1,123,084	673,782

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation

	2023 £	2022 £
Corporation tax		
Adjustments in respect of previous periods	-	(5,933)
Group taxation relief	1,000,000	-
Total current tax	<u>1,000,000</u>	<u>(5,933)</u>
Deferred tax		
Origination and reversal of timing differences	<u>(41,487)</u>	<u>(217,494)</u>
Taxation on profit/(loss) on ordinary activities	<u>958,513</u>	<u>(223,427)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,010,502</u>	<u>971,872</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	237,676	184,656
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	230	225
Capital allowances for year in excess of depreciation	(1,818)	5,720
Adjustments to tax charge in respect of prior periods	-	(169,477)
Non-taxable income	-	(598)
Remeasurement of deferred tax for change in tax rates	(2,455)	(12,948)
Group relief	724,880	(231,005)
Total tax charge for the year	<u>958,513</u>	<u>(223,427)</u>

Factors that may affect future tax charges

There are no current factors announced that affect future Tax charges.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Tangible fixed assets

	Property improvements £	Plant and equipment £	Total £
Cost or valuation			
At 1 January 2023	829,648	6,859,205	7,688,853
Additions	-	391,638	391,638
Disposals	-	(199,597)	(199,597)
At 31 December 2023	829,648	7,051,246	7,880,894
Depreciation			
At 1 January 2023	604,422	5,824,553	6,428,975
Charge for the year on owned assets	27,219	316,837	344,056
Disposals	-	(149,923)	(149,923)
At 31 December 2023	631,641	5,991,467	6,623,108
Net book value			
At 31 December 2023	198,007	1,059,779	1,257,786
At 31 December 2022	225,226	1,034,652	1,259,878

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

	2023 £	2022 £
Plant and machinery	332,312	215,523

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	5,445,868
At 31 December 2023	5,445,868

The Directors annually assess the carrying value of the investment in subsidiaries and in their opinion no impairment provision is currently necessary.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Dellner Ferrabyrne Holdings Ltd*	Ordinary	100%
Dellner Ferrabyrne Ltd	Ordinary	100%
Dellner Ferrabyrne Rail Technology (Qingdao) Ltd	Ordinary	100%
Dellner Polymer Solutions India Pvt	Ordinary	100%

*Subsidiaries owned directly by Dellner Polymer Solutions Limited.

14. Stocks

	2023 £	2022 £
Raw materials and consumables	904,391	655,504
Work in progress (goods to be sold)	87,485	117,360
Finished goods and goods for resale	188,718	171,491
	1,180,594	944,355

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Debtors

	2023 £	2022 £
Trade debtors	2,554,151	1,882,109
Amounts owed by group undertakings	7,151,664	6,541,728
Other debtors	42,681	45,615
Prepayments and accrued income	214,188	264,999
Tax recoverable	140,001	163,149
Deferred taxation	209,268	167,781
	<u>10,311,953</u>	<u>9,065,381</u>

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	885,183	626,093
Trade creditors	437,366	711,393
Amounts owed to group undertakings	13,790,031	12,214,424
Other taxation and social security	36,189	61,393
Obligations under finance lease and hire purchase contracts	88,955	43,055
Other creditors	28,741	-
Accruals and deferred income	168,332	200,078
	<u>15,434,797</u>	<u>13,856,436</u>

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

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	<u>246,954</u>	<u>172,218</u>

Assets held under finance lease contracts are secured over the assets to which they relate.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	88,955	43,055
Between 1-5 years	246,954	172,218
	<u>335,909</u>	<u>215,273</u>

19. Deferred taxation

	2023 £	2022 £
At beginning of year	167,781	(49,713)
Charged to profit or loss	41,487	217,494
At end of year	<u>209,268</u>	<u>167,781</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	209,268	163,081
Other short term timing differences	-	4,700
	<u>209,268</u>	<u>167,781</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,000,000 (2022 - 1,000,000) ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

21. Capital commitments

At 31 December 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>105,764</u>

22. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The Company paid £102,943 (2022: £108,789) into the scheme during the year. At the year end there were outstanding contributions of £Nil (2022: £18,800).

23. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	256,893	257,346
Later than 1 year and not later than 5 years	853,041	868,668
Later than 5 years	283,333	483,333
	<u>1,393,267</u>	<u>1,609,347</u>

24. Related party transactions

The Company has taken advantage of the exemption contained within section 33.1A of FRS 102 not to disclose transactions with wholly owned members of the same group.

DELLNER POLYMER SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. Controlling party

Dellner Ferrabyrne Holdings Limited is the immediate parent company.

The ultimate parent undertaking is Hyperbolicum B.V., a company registered in the Netherlands. The registered office is Weegschaalstraat 3, Eindhoven, 5632CW, Netherlands.

The parent undertaking of the smallest group to consolidate these financial statements is Dellner Bubenzer Group AB.

The parent undertaking of the largest group to consolidate these financial statements is Hyperbolicum B.V. Copies of the accounts of Hyperbolicum B.V. can be obtained from the company's registered office.

The ultimate controlling party of Hyperbolicum B.V. is Mr G Dellner.