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**Hyperlast Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2018**

**Company Registration No. 02947247**



# **Hyperlast Limited**

## **Annual report and financial statements for the year ended 31 December 2018**

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# **Hyperlast Limited**

## **Officers and professional advisers**

### **Directors**

E Gadea (appointed 27 April 2018)

J Case (appointed 1 April 2019)

### **Company Secretary**

C Jenkins

### **Registered Office**

Station Road  
Birch Vale  
High Peak  
Derbyshire  
United Kingdom  
SK22 1BR

### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# Hyperlast Limited

## Directors' report

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

### Principal activity

On 2 May 2016, Hyperlast Limited (the Company) ceased its business activities and transferred materially all assets and obligations to Dow Chemical Company Limited, a fellow group company. The Company retained the lease of its Birch Vale premises, which it continues to recharge the costs of to another group company.

### Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2018 (2017: £nil).

### Going concern

In light of the transfer of business activities on 2 May 2016 and the directors intention to liquidate the Company once its lease expires or is novated to another group company, the financial statements have been prepared on a basis other than going concern (see note 1 to the financial statements).

### Directors and their interests

The details of the Company's directors who have served throughout the year, including any changes subsequent to the year-end, are set out below:

E Gadea (appointed 27 April 2018)

A Jones (resigned 1 April 2019)

J Case (appointed 1 April 2019)

### Directors' indemnities

The Company's ultimate parent company has made qualifying third party indemnity provisions for the benefit of the Company's directors which were made during the year and remain in force at the date of this report.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors  
and signed on behalf of the Board

  
J Case  
Director

23 September 2019

# **Hyperlast Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report to the members of Hyperlast Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hyperlast Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the accounting policies; and
- the related notes 2 to 15.

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).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 respect of these matters.

## **Independent auditor's report to the members of Hyperlast Limited (continued)**

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### **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.



Hadleigh Shekle FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

24 September 2019

## Hyperlast Limited

### Profit and loss account

For the year ended 31 December 2018

	Note	Continuing 2018 £'000	Continuing 2017 £'000
Turnover	3	330	321
Cost of sales		(309)	(298)
<b>Gross profit</b>		<u>21</u>	<u>23</u>
Administrative expenses		-	(1)
<b>Operating profit</b>		<u>21</u>	<u>22</u>
Interest receivable	5	<u>443</u>	<u>384</u>
<b>Profit before taxation</b>	4	<u>464</u>	<u>406</u>
Tax on profit	6	<u>(79)</u>	<u>(75)</u>
<b>Profit for the financial year</b>		<u><u>385</u></u>	<u><u>331</u></u>

The Company has no items of other comprehensive income for the current and preceding year and therefore no separate statement of comprehensive income has been presented.



## Hyperlast Limited


### Balance sheet

As at 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Current assets</b>			
Debtors	7	72,063	71,598
		<u>72,063</u>	<u>71,598</u>
<b>Creditors: amounts falling due within one year</b>	8	(155)	(75)
		<u>(155)</u>	<u>(75)</u>
<b>Net current assets</b>		<u>71,908</u>	<u>71,523</u>
<b>Capital and reserves</b>			
Called-up share capital	9	248	248
Profit and loss account	10	71,660	71,275
		<u>71,908</u>	<u>71,523</u>
<b>Shareholders' funds</b>		<u>71,908</u>	<u>71,523</u>

The financial statements of Hyperlast Limited registered number 02947247 were approved by the Board of Directors and authorised for issue on 23<sup>rd</sup> September 2019

Signed on behalf of the Board of Directors



J Case  
Director

## Hyperlast Limited

### Statement of changes in equity As at 31 December 2018

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2016	248	70,944	71,192
Profit for the financial year		331	331
Total comprehensive income	-	331	331
At 31 December 2017	248	71,275	71,523
Profit for the financial year	-	385	385
Total comprehensive income	-	385	385
At 31 December 2018	248	71,660	71,908

# Hyperlast Limited

## Notes to the financial statements For the year ended 31 December 2018

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies which have been applied consistently in the current and prior year are described below:

#### General information and basis of accounting

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on page 1. The nature and the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because this is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it under Section 1 paragraph 12. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and the requirement to prepare consolidated financial statements. The parent of the group in whose consolidated financial statements the Company's financial statements are included is DowDuPont Inc. (subsequently renamed Dow Inc. on 1 April 2019) and its financial statements are readily available as set out in note 15.

#### Going concern

The financial statements have been prepared on a basis other than going concern following the decision to transfer materially all of its business activities to a fellow subsidiary company of the DowDuPont group in May 2016 and the intention of the directors to liquidate the Company. The Company will continue to recharge the costs incurred under the Company's lease of its Birch Vale site until such time as the lease expires or is novated to another group company.

#### Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Hyperlast Limited

## Notes to the financial statements (continued) For the year ended 31 December 2018

### 1. Accounting policies (continued)

#### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

#### *Financial assets and liabilities*

Financial assets and liabilities are initially recorded at transaction price, including transaction costs, unless the arrangement constitutes a financing transaction. Except for derivative financial instruments, the Company's financial assets and liabilities are payable or receivable within one year and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Financial assets are de-recognised only where the contractual rights to the cash flows from the asset expire or are settled; or if the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity; or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### Turnover

Turnover represents the value of technical and customer services provided in the year, along with rebilling of costs incurred, including those from decommissioning its former manufacturing activities, excluding value added tax, to other group companies. Turnover is recognised as the services are performed.

#### Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

#### Interest income

Investment income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Hyperlast Limited

## Notes to the financial statements (continued) For the year ended 31 December 2018

The directors have concluded in the current year that there are no critical accounting judgements or key sources of estimation uncertainty where there is a reasonable possibility that a material adjustment to the carrying amounts of assets or liabilities may arise within the next twelve months.

### 3. Turnover

	2018 £'000	2017 £'000
Turnover by destination		
Continental Europe	330	321

An analysis of the Company's revenue is as follows:

	2018 £'000	2017 £'000
Manufacturing services	330	321
Interest income	443	384
Revenue	773	705

### 4. Profit before taxation

	2018 £'000	2017 £'000
Profit before taxation is stated after charging:		
Operating lease charges – other	309	298
Foreign exchange loss	-	1

The 2018 audit fee of £4,500 for the Company is paid by a related company.

### 5. Interest receivable

	2018 £'000	2017 £'000
Interest received on intercompany loans	443	384

### 6. Taxation

	2018 £'000	2017 £'000
Current year		
United Kingdom corporation tax at 19% (2017: 19.25%)	88	78
Adjustment to prior years	(9)	(3)
Total current tax charge and total tax charge on profit	79	75

# Hyperlast Limited

## Notes to the financial statements (continued) For the year ended 31 December 2018

### 6. Taxation (continued)

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

	2018 £'000	2017 £'000
Profit for the year	464	406
Tax on profit at standard UK corporation tax rate of 19.0% (2017: 19.25%)	88	78
Adjustments in respect of prior years	(9)	(3)
	79	75

The standard rate of tax applied to reported profit or loss is 19.25% (2016: 20%) following a reduction in the tax rate on 1 April 2018 to 19%. The Finance Act 2016 introduced legislation to reduce the main rate of corporation tax to 17% from 1 April 2020. No deferred tax has been provided.

### 7. Debtors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed by group undertakings	72,063	71,598

Amounts owed by group companies consist of intercompany loans. The loans are revolving loans, until terminated by either party, with the interest rate based on the one month LIBOR rate and a credit spread that is representative of transactions with unrelated parties under similar terms and conditions.

### 8. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed by group undertakings	155	75
	155	75

# Hyperlast Limited

## Notes to the financial statements (continued) For the year ended 31 December 2018

### 9. Called-up share capital

	2018 £'000	2017 £'000
Allotted, called-up and fully paid 248,000 (2015: 175,000) A ordinary shares of £1 each	248	248
	<u>248</u>	<u>248</u>

Called-up share capital represents the nominal value of shares that have been issued. The Company has one class of ordinary share which carries no right to fixed income. The total value of shares in issue is £248,000.

### 10. Reserves

	Profit and loss account £'000
At 1 January 2018	71,275
Profit for the year	385
At 31 December 2018	<u>71,660</u>

The profit and loss account reserve includes all current and prior year retained profit and losses.

### 11. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2018 £'000	2017 £'000
Less than one year	309	309
Between one and five years	1,235	1,235
Over five years	630	939
Total	<u>2,174</u>	<u>2,483</u>

### 12. Remuneration of directors

Two of the directors who served as a director in the year were directors and executives of a fellow group company, Dow Chemical Services UK Ltd. The same directors have also served as directors of Dow Chemical Company Limited and Dow UK Limited during the year and one of the directors has also served as a director of Dow Agrosciences Limited during the year. They received total remuneration of £729,366 (2017 - £796,333) from Dow Chemical Services UK Ltd during the year for the period in which they served as directors, but it is not practicable to allocate this between their services as directors and executives of these entities.

## **Hyperlast Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2018**

#### **13. Related party transactions**

The Company has taken advantage of the exemption granted by Section 33.1A of Financial Reporting Standard 102, not to disclose transactions entered into between two or more members of the DowDuPont Group, provided that any subsidiary which is a party to the transaction is wholly owned by DowDuPont Inc.

#### **14. Group offset arrangement with bank**

The Company is a party to a group bank offset arrangement with Deutsche Bank whereby positive and negative cash balances in certain bank accounts of certain DowDuPont group companies may be offset. The Company has agreed to allow the bank to set off at any time, without notice, any sum standing on the current account of the Company against the current account of specific group companies. The maximum liability of the Company at any time shall not exceed the cash balance in the Company's bank account.

#### **15. Immediate and ultimate parent undertaking**

In the opinion of the directors the immediate parent company is Dow Chemical Company Limited, whose registered office is the same as the Company, and the ultimate parent company, controlling entity, and parent of the smallest and the largest group for which consolidated financial statements are prepared for which the Company is a part, is DowDuPont Inc. which is incorporated in the United States of America. Copies of the group financial statements of DowDuPont Inc. (subsequently renamed Dow Inc. on 1 April 2019) can be obtained from its registered office at:

DowDuPont Inc.  
Corporation Trust Center,  
1209 Orange Street,  
Wilmington,  
New Castle 19801  
Delaware  
USA.