

MULTICHEM LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018
PAGES FOR FILING WITH REGISTRAR



MULTICHEM LIMITED

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MULTICHEM LIMITED

BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4	450,587		437,875	
Investments	5	32,258		32,258	
		<u>482,845</u>		<u>470,133</u>	
Current assets					
Stocks	7	459,582		582,276	
Debtors	8	1,162,117		1,095,607	
Cash at bank and in hand		225,121		22	
		<u>1,846,820</u>		<u>1,677,905</u>	
Creditors: amounts falling due within one year	9	(864,090)		(854,301)	
Net current assets		<u>982,730</u>		<u>823,604</u>	
Total assets less current liabilities		<u>1,465,575</u>		<u>1,293,737</u>	
Provisions for liabilities	10	(14,678)		(11,891)	
Net assets		<u>1,450,897</u>		<u>1,281,846</u>	
Capital and reserves					
Called up share capital	12	1,627		1,627	
Share premium account		1,950		1,950	
Capital redemption reserve		1,573		1,573	
Profit and loss reserves		1,445,747		1,276,696	
Total equity		<u>1,450,897</u>		<u>1,281,846</u>	

MULTICHEM LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 10/10/18 and are signed on its behalf by:



M Nelson
Director

Company Registration No. 01100854

MULTICHEM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2018

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016	1,627	1,950	1,573	1,001,965	1,007,115
Year ended 31 May 2017:					
Profit and total comprehensive income for the year	-	-	-	431,110	431,110
Dividends	-	-	-	(156,379)	(156,379)
Balance at 31 May 2017	1,627	1,950	1,573	1,276,696	1,281,846
Year ended 31 May 2018:					
Profit and total comprehensive income for the year	-	-	-	388,839	388,839
Dividends	-	-	-	(219,788)	(219,788)
Balance at 31 May 2018	1,627	1,950	1,573	1,445,747	1,450,897

MULTICHEM LIMITED

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

1 Accounting policies

Company information

Multichem Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, Tyne Mills Industrial Estate, Hexham, Northumberland, NE46 1XL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover represents amounts receivable for goods provided in the normal course of business, net of trade discounts, VAT and other sales-related tax. Turnover from the sale of goods is recognised when substantially all the risks and rewards associated with those goods have been transferred to a customer. This is typically when the goods are physically delivered to the customer. In the case of Bill & Hold agreements, it is typically when the goods are available for collection. In the case of export sales this may vary according to contractual terms, but is typically at the point of loading onto the delivery vessel.

1.3 Tangible fixed assets

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

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

Freehold buildings	2% straight line
Plant and machinery	25% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Stocks

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. The valuation of finished goods consists of raw materials and direct labour costs, together with an appropriate proportion of production overheads.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received, if considered material to the financial statements.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

The company participates in a defined contribution personal pension plan. The amount charged to the profit and loss account represents the contributions payable to the plan in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.10 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.11 Foreign exchange

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 18 (2017 - 18).

3 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	61,376	71,584
Adjustments in respect of prior periods	-	(509)
Total current tax	61,376	71,075
Deferred tax		
Origination and reversal of timing differences	2,787	3,188
Total tax charge	64,163	74,263

4 Tangible fixed assets

	Freehold buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost					
At 1 June 2017	515,921	325,976	90,666	116,591	1,049,154
Additions	-	39,644	7,536	-	47,180
At 31 May 2018	515,921	365,620	98,202	116,591	1,096,334
Depreciation and impairment					
At 1 June 2017	168,464	269,245	62,505	111,063	611,277
Depreciation charged in the year	10,318	16,003	4,685	3,464	34,470
At 31 May 2018	178,782	285,248	67,190	114,527	645,747
Carrying amount					
At 31 May 2018	337,139	80,372	31,012	2,064	450,587
At 31 May 2017	347,457	56,731	28,160	5,527	437,875

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

5 Fixed asset investments

	2018 £	2017 £
Investments	32,258	32,258

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation At 1 June 2017 & 31 May 2018	32,258
Carrying amount At 31 May 2018	32,258
At 31 May 2017	32,258

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Multichem Ink (Shanghai) Co. Limited	China	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Nature of business	Profit/(Loss) £	Capital and Reserves £
Multichem Ink (Shanghai) Co. Limited	Manufacture and distribution of inks	54,500	58,399

7 Stocks

	2018 £	2017 £
Raw materials	337,763	321,865
Finished goods	121,819	260,411
	459,582	582,276

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

8 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	594,518	533,084
Amounts owed by group undertakings	423,493	403,914
Other debtors	144,106	158,609
	<u>1,162,117</u>	<u>1,095,607</u>

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	26,201
Trade creditors	644,779	663,102
Corporation tax	61,376	71,584
Other taxation and social security	10,888	10,504
Other creditors	147,047	82,910
	<u>864,090</u>	<u>854,301</u>

The aggregate amount of creditors for which security has been given amounted to £Nil (2017 - £78,342).

10 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	14,678	11,891

11 Share-based payment transactions

The company operates a scheme under which share options, settled by the issue of ordinary shares in the company, have been granted to an employee of the company.

On 9 December 2017, options to acquire 181 ordinary shares of £1 were granted. The participating employee has the option to acquire the shares in the company at the exercise price of £141.37 per share.

The impact on the profit and loss account has been assessed as immaterial and as such, no change has been recognised in the current or prior period.

MULTICHEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

12 Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid equity shares:		
Ordinary 'A' shares of £1 each	1,477	1,377
Ordinary 'B' shares of £1 each	150	50
Ordinary 'C' shares of £1 each	-	100
Ordinary 'E' shares of £1 each	-	100
	<u>1,627</u>	<u>1,627</u>

On 19 December 2017, 100 Ordinary 'C' shares were redesignated to Ordinary 'A' shares and 100 Ordinary 'E' shares were redesignated to Ordinary 'B' shares.

The holders of both the ordinary 'A' shares and the ordinary 'B' shares shall be entitled to one vote per share when voting on a show of hands or in a poll.

Dividends may be paid to one class or all classes of share, but the amounts payable to each class may differ. No dividend may be paid to any class of share at a rate greater than that recommended by the directors in respect of that share.

On winding up of the company, all classes of shares participate equally.

13 Operating lease commitments

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

2018 £	2017 £
<u>31,429</u>	<u>16,594</u>

14 Directors' transactions

Dividends totalling £219,778 (2017 - £156,379) were paid in the year in respect of shares held by the company's directors.