

Company registration number 01100854 (England and Wales)

**MULTICHEM LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**  
**PAGES FOR FILING WITH REGISTRAR**

# MULTICHEM LIMITED

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# MULTICHEM LIMITED

## BALANCE SHEET

AS AT 31 MAY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		406,218		401,001
Investments	5		32,258		32,258
			<u>438,476</u>		<u>433,259</u>
<b>Current assets</b>					
Stocks	7	804,929		665,836	
Debtors	8	955,734		1,334,015	
Cash at bank and in hand		295,481		263,231	
		<u>2,056,144</u>		<u>2,263,082</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(768,249)</u>		<u>(1,049,136)</u>	
<b>Net current assets</b>			<u>1,287,895</u>		<u>1,213,946</u>
<b>Total assets less current liabilities</b>			<u>1,726,371</u>		<u>1,647,205</u>
<b>Provisions for liabilities</b>			<u>(26,193)</u>		<u>(21,434)</u>
<b>Net assets</b>			<u><u>1,700,178</u></u>		<u><u>1,625,771</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		1,627		1,627
Share premium account			1,950		1,950
Capital redemption reserve			1,573		1,573
Profit and loss reserves			<u>1,695,028</u>		<u>1,620,621</u>
<b>Total equity</b>			<u><u>1,700,178</u></u>		<u><u>1,625,771</u></u>

## **MULTICHEM LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 MAY 2023**

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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 2023 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 August 2023 and are signed on its behalf by:

**M Nelson**  
**Director**

**Company Registration No. 01100854**

# MULTICHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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### 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 a 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% reducing balance
Fixtures, fittings & equipment	15% 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 2023

### 1 Accounting policies

(Continued)

#### 1.4 Fixed asset investments

Interests in subsidiaries 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

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# MULTICHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### **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.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 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 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.

# MULTICHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

### 1 Accounting policies

(Continued)

#### 1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### 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 in the period are included in profit or loss.

### 2 Employees

	2023 Number	2022 Number
Total	17	15

### 3 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	88,673	86,629
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,759	9,428
Total tax charge	93,432	96,057



# MULTICHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

### 4 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2022	515,921	440,893	103,002	121,143	1,180,959
Additions	-	52,130	1,637	-	53,767
Disposals	-	(5,731)	-	-	(5,731)
At 31 May 2023	515,921	487,292	104,639	121,143	1,228,995
<b>Depreciation and impairment</b>					
At 1 June 2022	220,054	356,349	84,234	119,321	779,958
Depreciation charged in the year	10,319	29,256	2,959	873	43,407
Eliminated in respect of disposals	-	(588)	-	-	(588)
At 31 May 2023	230,373	385,017	87,193	120,194	822,777
<b>Carrying amount</b>					
At 31 May 2023	285,548	102,275	17,446	949	406,218
At 31 May 2022	295,867	84,544	18,768	1,822	401,001

### 5 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	32,258	32,258

### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

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

### 7 Stocks

	2023 £	2022 £
Raw materials	586,841	528,157
Finished goods	218,088	137,679
	804,929	665,836

# MULTICHEM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

### 8 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	651,446	1,036,776
Amounts owed by group undertakings	143,406	145,345
Other debtors	160,882	151,894
	<u>955,734</u>	<u>1,334,015</u>

### 9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	606,371	813,016
Corporation tax	88,673	86,629
Other taxation and social security	10,173	8,730
Other creditors	63,032	140,761
	<u>768,249</u>	<u>1,049,136</u>

### 10 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.

### 11 Called up share capital

	2023	2022
	£	£
<b>Allotted, called up and fully paid equity shares:</b>		
Ordinary 'A' shares of £1 each	1,477	1,477
150 Ordinary 'B' shares of £1 each	150	150
	<u>1,627</u>	<u>1,627</u>

### 12 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:

2023	2022
£	£
7,088	15,397
<u>7,088</u>	<u>15,397</u>

## **MULTICHEM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023**

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#### **13 Directors' transactions**

Dividends totalling £339,147 (2022 - £305,377) were paid in the year in respect of shares held by the company's directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.