

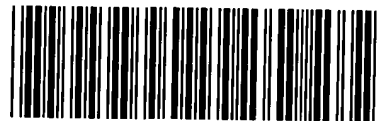
# **SNF (UK) Limited**

Registered number: 02023891

## **Directors' report and financial statements**

**For the year ended 31 December 2021**

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**SNF (UK) LIMITED**

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**COMPANY INFORMATION**

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**Directors**

A Woollin  
J A Waterhouse  
M R Waddington  
P A L Remy

**Company secretary**

N J Bowers

**Registered number**

02023891

**Registered office**

1 Red Hall Crescent  
Paragon Business Village  
Wakefield  
West Yorkshire  
WF1 2DF

**Independent auditor**

Constantin  
Chartered Accountants & Statutory Auditor  
25 Hosier Lane  
London  
EC1A 9LQ

**Bankers**

Lloyds Bank  
65 - 68 Briggate  
Leeds  
LS1 6LH

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**SNF (UK) LIMITED**

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## **SNF (UK) LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Introduction**

The directors present their strategic report for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the company is the supply of water treatment chemicals and equipment into the industrial and municipal markets of UK and Ireland.

#### **Business review**

A strong sales performance year on year, c.13% on previous year. Very strong recovery in our industrial business following a relatively weak 2020 in addition to an improved picture overall in the Municipal sector.

Margins have remained relatively stable through 2021 in very tough trading conditions. Management of the overall supply chain has been a key focus for the business with ensuring customer receive the necessary product for their operations. Conditions worsened in Q4 and have further deteriorated into Q1 of 2022. Raw material availability is particularly challenging and pricing has reflected these difficult conditions. Pricing validity had been reduced to more or less one month on most purchases. Margin management and the supply of product to customers will continue to be a major focus in 2022.

#### **Section 172(1) Statement**

The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term
- Interests of the company's employees
- Need to foster the company's business relationships with suppliers, customers and others
- Impact of the company's operations on the community and the environment
- Desirability of the company maintaining a reputation for high standards of business conduct
- Need to act fairly as between members of the company

The Directors' regard to these matters is factored into their decision-making process, through the Company's strategy, culture, governance framework, management information and stakeholder engagement.

The Company's strategy is focused on achieving success for the Company in the long-term. The Board takes into account the impact of relevant factors and relevant stakeholder interests.

The Board also identifies key risks facing the business and puts in place the necessary mitigation measures required.

The Board promotes a culture of upholding the highest standards of business and regulatory conduct. It ensures that these core values are communicated to employees and embedded in the Company's policies and procedures. The Board strives to build strong and lasting relationships with company stakeholders.

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## **SNF (UK) LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Stakeholders**

The Board strives to build strong and lasting relationships with company stakeholders.

The company has the ISO9001 certification which ensures that quality standards are followed and furthermore ensures that customers and other stakeholders needs are met.

The significant stakeholder groups considered by the company are detailed below;

- **Customers**

The company is part of the Global SNF group, the world's leading Polyacrylamide manufacturer, supplying a range of flocculants and coagulants for Industrial and Municipal Water Treatment.

Customers are at the centre of our business. SNF offer a broad range of products, equipment and services to help customers with their water treatment processes to meet their environment and economic objectives.

Our customer service and sales teams build lasting relationships with customers to clearly understand and meet their needs. In addition, we are in regular contact with customers in order to meet their reporting and service requirements. We are a key supplier into the UK Municipal market and take that responsibility incredibly seriously, ensuring that we are a reliable and responsive partner.

Formal feedback is obtained from customers periodically via our Customer satisfaction surveys, where results are compiled and action taken as appropriate by management

The company operates ISO9001 where the timely management of non-conformance is fully investigated and the appropriate corrective action put in place. This lies at the heart of the quality management system.

- **Employees**

SNF employees with their expertise and commitment play a major role in the success of the company.

We are a responsible employer in both our approach to pay and benefits as well as meeting the training and development needs of our colleagues. This has a dual benefit of having a well trained and motivated team and ensuring the company's success over the long term.

Health and Safety is the company's first priority and keeping staff safe in the workplace remains a key objective and is embedded into the company's management systems and culture.

We encourage open dialogue, allowing employees to contribute to the company's success and reinforces the company's performance culture.

A formal annual performance review process is in place, which is further opportunity to have individual dialogue and align individual actions with corporate objectives. Together with an employee suggestion scheme to further improve the company, direct by the individual's ideas.

- **Suppliers**

We work with a wide range of suppliers both in the UK and globally. The company remains committed to being fair and transparent in all interactions with our valued suppliers.

The company has in place several governance processes to ensure that all the necessary legal aspects are followed such as anti-bribery and corruption, data protection and modern slavery.

As a responsible business partner we ensure that suppliers are paid according to terms.

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## SNF (UK) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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The company operates a formal review of supplier performance and compliance, with appropriate remedial action if required.

- Shareholders

The company has one corporate shareholder, all necessary reporting and compliance obligations are fulfilled. Regular communication takes place with our parent company who are active in all key decision making processes.

- Community and environment

As part of the SNF group, further and more comprehensive details can be found at Group level in the Environmental, Social and Governance report 2021 (ESG 2021). This document can be obtained through SNF's website at <https://www.snf.com/>

#### Key performance indicators

##### Key performance indicators

	2021 £'000	2020 £'000	Change %
Turnover	70,732	62,375	+13%
Operating profit	3,300	2,790	+18%
Working capital days	62	56	+11%

Other key performance indicators used by management include health, safety and environmental measures, main examples being accidents and incidents, near miss reporting and reportable events.

#### Position of the business

It is considered that the year end position of the company remains satisfactory and will allow further development of the business in line with the Directors' expectations.

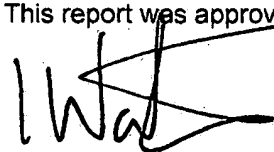
#### Principal risks and uncertainties

As mentioned in the business review, raw materials and logistics continue to be a major challenge for the business and the industry generally. It is expected these difficult conditions will continue through 2022, especially given the conflict in Ukraine. The impact on an already weak supply-chain has led to spiralling raw material prices, short validity of pricing and low availability. The energy market and disruption of key commodities is having a major impact on the chemical industry.

#### Future developments

The directors expect that the company overall position will be weaker than 2021. This is mainly due to the supply chain challenges and increasing raw material prices.

This report was approved by the board on 25<sup>th</sup> May 2022 and signed on its behalf.



**I A Waterhouse**  
Director

## **SNF (UK) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### **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 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent; 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 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.

#### **Directors**

The directors who served during the year were:

A Woollin  
I A Waterhouse  
M R Waddington  
P A L Remy

#### **Principal Risks**

Financial risk is actively managed by the company in the following areas;

- Credit risk is managed through assessing each customer and applying credit limits using data provided by credit reference agencies. Limits are reviewed on a regular basis by management to ensure that potential issues are minimised. In addition, a significant amount of the company's debtors are credit insured which provides additional security.
- Currency risk is managed through a combination of natural hedging and active cash management. As the company is to some extent protected by currency fluctuations through selling and purchasing in foreign currencies. In addition, a limited number of forward contracts are employed in respect of the Euro on a short term basis.
- Price risk is managed actively through a portfolio of pricing mechanisms with the company's customer base. A mix of spot, contract and formula based pricing applies.
- Liquidity and cashflow risks are managed through a detailed cashflow forecast, actively reviewed on a regular basis to minimise any potential cash flow issues. In addition the company has access to various financing arrangements both internally within the group and with external financing partners.

#### **Future developments**

The company seeks to further support customers in its chosen markets and maintain critical supply of chemicals into water treatment and industry.

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**SNF (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Research and development activities**

The company will continue its policy of investment in research and development in order to meet customer needs not only today but in the future. SNF (UK) technical team aims to provide customers with the optimum product performance and the lowest cost of treatment.

**Environmental**

The company remains committed to its environmental responsibilities and continues to maintain its ISO 14001 registration.

GHG emissions and Energy used for data period				
		1 January 2021 to 31 December 2021	1 January 2020 to 31 December 2020	Variance
Energy consumption used to calculate emissions	Total Energy kWh	367,279	340,179	27,100
Emissions from combustion of Natural Gas	Scope 1 tCO <sub>2</sub> e	8	9	(1)
Emissions from purchased Electricity (location-based)	Scope 2 tCO <sub>2</sub> e	28	28	-
Emissions from business travel in rental cars or employee-owned vehicles (if company is responsible for purchasing the fuel)	Scope 3 tCO <sub>2</sub> e	48	42	6
Total gross tCO <sub>2</sub> e based on above	Scope 1 + 2 + 3 tCO <sub>2</sub> e	84	79	5
Intensity ratio : Gross tCO <sub>2</sub> e Scope (1+2+3) / Quantity {based on mandatory fields above e.g. tCO <sub>2</sub> e / £ Million Turnover)	Intensity ratio 1' tCO <sub>2</sub> e/£ Million	1.19	1.29	(0.10)

**Methodology**

The above emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol – Corporate Standard' and HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019. The UK Government greenhouse gas reporting conversion factors for 2021 were used in preparing this report.

**Action on Energy Efficiency which the company undertook during the report period**

The company's revenue has grown from £62.4 million to £70.7 million, a rise of by 13% over the financial year. This growth has led to increases of 8% in energy consumption and 6 % in carbon emissions, however, despite these rises, the company's primary Intensity Ratio has reduced from 1.29 to 1.19 (tCO<sub>2</sub>e/£ million) yielding a significant 8% improvement in its carbon emissions profile. To enhance carbon reductions the company amended its company car policy in 2021 requiring drivers to only choose from a selection of fully electric vehicles. The company continues to actively monitor its energy consumption and carbon emissions to identify further opportunities to reduce its carbon emissions profile going forward.

**Going concern**

The financial statements have been prepared on a going concern basis. The directors have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment. As per letter of support from Group all intercompany amounts would not be requested and would not be repaid to ensure third party liabilities are met.

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**SNF (UK) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

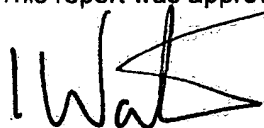
**Disclosure of proposed dividend**

The directors recommend a final dividend of £NIL (0p per ordinary share), 2020 £NIL.

**Auditor**

The auditor, Constantin, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25<sup>th</sup> May 2022 and signed on its behalf.



**I A Waterhouse**  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNF (UK) LIMITED**

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**Independent auditor's report to the members of SNF (UK) Limited**

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

**Opinion**

In our opinion the financial statements of SNF (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29 including the statement of 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 101 "Reduced Disclosure Framework" (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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

**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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNF (UK) LIMITED**

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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.

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNF (UK) LIMITED**

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significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**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 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.

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 strategic report or the directors' report.

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

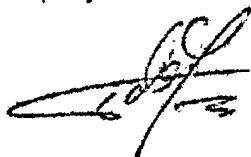
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



Thierry de Gennes ACA (Senior Statutory Auditor)  
For and on behalf of Constantin  
Chartered Accountants and Statutory Auditor  
25 Hosier Lane  
London  
EC1A 9LQ  
25<sup>th</sup> May 2022

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**SNF (UK) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £	2020 £
Turnover	4	70,731,524	62,374,850
Raw materials and consumables		(59,170,753)	(51,815,207)
Other direct costs		(4,906,611)	(4,502,315)
<b>Gross profit</b>		<b>6,654,160</b>	<b>6,057,328</b>
Staff costs		(2,923,878)	(2,849,761)
Depreciation and amortisation		(435,688)	(417,016)
<b>Operating profit/(loss)</b>	<b>5</b>	<b>3,294,594</b>	<b>2,790,551</b>
Income from shares in group undertakings		-	23,651
Interest receivable and similar income	9	-	177
Amounts written off investments		-	(337,701)
Interest payable and expenses	10	(62,735)	(64,682)
<b>Profit before tax</b>		<b>3,231,859</b>	<b>2,411,996</b>
Tax on profit	11	812	23,822
<b>Profit for the financial year</b>		<b>3,232,671</b>	<b>2,435,818</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 13 to 39 form part of these financial statements.

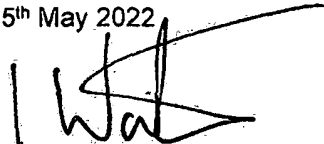
All transactions arose from continuing operations.

**SNF (UK) LIMITED**  
**REGISTERED NUMBER: 02023891**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	4,108,979	4,107,307
Tangible assets	13	2,953,734	3,167,569
Investments	15	30,230,002	30,230,001
		<u>37,292,715</u>	<u>37,504,877</u>
<b>Current assets</b>			
Stocks	16	6,117,013	8,421,985
Debtors: amounts falling due within one year	17	19,510,179	13,084,203
Cash at bank and in hand	18	4,209,553	4,176,874
		<u>29,836,745</u>	<u>25,683,062</u>
Creditors: amounts falling due within one year	19	<u>(13,364,937)</u>	<u>(12,676,986)</u>
<b>Net current assets</b>		16,471,808	13,006,076
Debtors: amounts falling due after more than one year	17	93,958,744	92,458,744
<b>Total assets less current liabilities</b>		<u>147,723,267</u>	<u>142,969,697</u>
Creditors: amounts falling due after more than one year	20	(95,589,023)	(94,067,040)
<b>Provisions for liabilities</b>			
Deferred tax	23	-	(1,084)
		-	(1,084)
<b>Net assets</b>		<u>52,134,244</u>	<u>48,901,573</u>
<b>Capital and reserves</b>			
Called up share capital	24	37,952,680	37,952,680
Profit and loss account		14,181,564	10,948,893
		<u>52,134,244</u>	<u>48,901,573</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25<sup>th</sup> May 2022



**I A Waterhouse**  
Director

The notes on pages 13 to 39 form part of these financial statements.

**SNF (UK) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 January 2020	37,952,680	8,513,075	46,465,755
<b>Comprehensive income for the year</b>			
Share capital raised	-	-	-
Profit for the year	-	2,435,818	2,435,818
<b>Total comprehensive income for the year</b>	-	2,435,818	2,435,818
<b>At 31 December 2020</b>	<b>37,952,680</b>	<b>10,948,893</b>	<b>48,901,573</b>
	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 January 2021	37,952,680	10,948,893	48,901,573
<b>Comprehensive income for the year</b>			
Share capital raised	-	-	-
Profit for the year	-	3,232,671	3,232,671
<b>Total comprehensive income for the year</b>	-	3,232,671	3,232,671
<b>At 31 December 2021</b>	<b>37,952,680</b>	<b>14,181,564</b>	<b>52,134,244</b>

The notes on pages 13 to 39 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

The "Company" is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

1 Red Hall Crescent  
Paragon Business Village  
Wakefield  
West Yorkshire  
WF1 2DF

The principal activity of the company is the supply of water treatment chemicals and equipment into the industrial and municipal markets of UK and Ireland.

**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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements contain information about SNF (UK) Limited as an individual company and not about its group. In accordance with the provisions of Financial Reporting Standard 101 and Section 401 of the Companies Act 2006, the company has taken advantage of the exemption available to it from the requirement to prepare consolidated financial statements on the grounds that it is included in the consolidated financial statements of SPCM SA.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The information is included in the consolidated financial statements of SPCM SA as at 31 December 2020 and these financial statements may be obtained from the address shown in note 32 to these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The company is reliant upon funding from other group companies to finance work on assets under Construction within the UK group. The directors have obtained confirmation via supporting letter that other group companies will not demand repayment in part or in full of any debt until the company is in a position to do so. The directors have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment.

There has been insignificant impact on the business relating to Covid-19 in the accounting period.

**2.4 Foreign currency translation**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

**2.5 Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when; the amount can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

**2.6 Leases – IFRS16**

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available
  - the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
  - the company has the right to direct the use of the identified asset throughout the period of use.
- The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases. At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

**NOTES TO THE FINANCIAL STATEMENTS  
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The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

## **2.7 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **2.8 Borrowing costs**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.9 Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**2.10 Current and deferred taxation**

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive 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.
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**Group relief**

The company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group that such losses will not be paid for by the recipient Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.11 Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**2.12 Goodwill**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

**2.13 Tangible fixed assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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	- 25 years (excluding land)
Plant & machinery	- 15% - 33%
Motor vehicles	- 25%
Fixtures & fittings	- 15% - 33%
Right of use assets	- Duration of the lease
Other fixed assets	- See below

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

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 the Statement of Comprehensive Income.

Other fixed assets comprises assets under construction. All direct costs attributable to assets under construction are capitalised until such time that the asset is brought into use. Once the asset is brought into use it will be depreciated on a straight line basis over its useful life.

**2.14 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

***Impairment of Tangible fixed assets***

At the balance sheet date the company reviews the carrying out amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects the current market and any associated risks.

If the recoverable amount is estimated to be less than the carrying value, the book value will be reduced to that of the recoverable amount. Any such impairment will be recognised immediately in the Statement of comprehensive income.

**2.15 Valuation of investments**

*Investments in subsidiaries are measured at historic cost less impairment.*

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss.

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.16 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

**2.17 Debtors**

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

**2.18 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**2.19 Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.21 Financial instruments**

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

In applying the Company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

***Critical judgements in applying the accounting policies***

The critical judgements that the director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below:

***i) Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment associated with fixed and current assets, the director has considered both external and internal sources of information such as market values, changes in technological, economic and legal environments and economic performance.

***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

***(i) Determining residual values and useful economic lives of property, plant and equipment***

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected the end of its useful economic life. Where possible this is done with reference to external market prices.

***(ii) Determining useful economic lives of intangible assets***

The Company amortises intangible assets over their estimated useful lives. The estimation of the useful lives of intangible assets is based upon an assessment of the relevant factors including; the nature of the business acquired, its product lifecycles, the stability of the industry in which it operates, the strength and transferability of trading relationships and therefore requires estimates and assumptions to be applied by management.

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Chemical sales	69,636,947	61,510,983
Equipment sales	1,044,177	813,467
Other sales	50,400	50,400
	<u>70,731,524</u>	<u>62,374,850</u>

Analysis of turnover by country of destination;

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
United Kingdom	48,651,703	41,731,949
Rest of Europe	8,490,932	10,816,654
Rest of the world	13,588,889	9,826,247
	<u>70,731,524</u>	<u>62,374,850</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Operating profit/(loss)**

Operating profit for the year is stated after charging/(crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	435,688	417,016
Exchange differences	482,706	37,487
Other operating lease rentals	1,601	-
Defined contribution pension cost	<u>345,854</u>	<u>362,218</u>

**6. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>24,200</u>	<u>21,060</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Employees**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,327,562	2,250,323
Social security costs	250,462	237,220
Cost of defined contribution scheme	345,854	362,218
	<u>2,923,878</u>	<u>2,849,761</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Administration	36	36
Management	19	20
	<u>55</u>	<u>56</u>

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**SNF (UK) LIMITED**

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

	2021	2020
	£	£
Directors' emoluments	287,267	294,169
Directors pension costs - money purchase schemes	83,306	73,502
	<u>370,573</u>	<u>367,671</u>

During the year retirement benefits were accruing to 3 directors (2020 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £101,479 (2020 £108,640).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £34,503 (2020 £26,191).

**9. Interest receivable**

	2021	2020
	£	£
Other interest receivable	-	177
	<u>-</u>	<u>177</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest payable	9	1,998
Other loan interest payable	-	-
Leases and hire purchase contracts	62,726	62,684
	<u>62,735</u>	<u>64,682</u>

**11. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current year	272	-
Adjustments in respect of previous periods	-	16,154
	<u>272</u>	<u>16,154</u>

**Deferred tax**

Origination and reversal of timing differences	(1,084)	(39,976)
	<u>(812)</u>	<u>(23,822)</u>

**Taxation on profit on ordinary activities**

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>3,231,859</u>	<u>2,411,996</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	614,053	458,279
<b>Effects of:</b>		
Fixed Asset Differences	8	(19,592)
Expenses not deductible for tax purposes	1,491	746,148
Income not taxable for tax purposes	-	(681,113)
Adjustments to tax charge in respect of prior periods	-	16,154
Adjustments to tax charge in respect of prior periods - deferred tax	-	(9,272)
Group relief adjustments	(616,364)	(538,167)
Other adjustments	-	3,741
<b>Total tax for the year</b>	<u>(812)</u>	<u>(23,822)</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**12. Intangible assets****Goodwill**

	<b>2021</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2021	4,107,307
Additions	1,672
<b>Net book value</b>	
<b>At 31 December 2021</b>	<u><u>4,108,979</u></u>
<i>At 31 December 2020</i>	<u><u>4,107,307</u></u>

**SNF (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Tangible fixed assets**

	Freehold property	Plant & machinery	Right of Use assets	Fixtures & fittings	Other fixed assets	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 January 2021	1,218,502	390,353	1,868,038	967,402	-	4,444,295
Additions	-	-	217,168	4,685	-	221,853
Disposals	-	-	(144,838)	-	-	(144,838)
Transfers between classes	-	-	-	-	-	-
At 31 December 2021	1,218,502	390,353	1,940,368	972,087	-	4,521,310
<b>Depreciation</b>						
At 1 January 2021	5,535	358,806	385,080	527,305	-	1,276,726
Charge for the year on owned assets	568	22,695	-	163,758	-	187,021
Charge for the year on financed assets	-	-	248,667	-	-	248,667
Disposals	-	-	(144,838)	-	-	(144,838)
Transfers between classes	-	-	-	-	-	-
At 31 December 2021	6,103	381,501	488,909	691,063	-	1,567,576
<b>Net book value</b>						
At 31 December 2021	1,212,399	8,852	1,451,459	281,024	-	2,953,734
At 31 December 2020	1,212,967	31,547	1,482,958	440,097	-	3,167,569

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. IFRS16 Disclosure**

The company leases several assets including Building, Vehicles and IT equipment.

The amounts recognised in the Statement of Comprehensive Income are as follows;

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation on right of use assets	248,667	225,351
Interest expense on lease liabilities	66,226	62,684
Expenses relating to short term leases	1,601	-

Cash outflow on leases 2021 £295,334 (2020 £265,010).

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investment**

	<b>Investments in subsidiary companies</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2021	30,230,001
Additions	1
Disposals	-
At 31 December 2021	<u>30,230,002</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
SNF Oil and Gas Limited	1 Red Hall Crescent Paragon Business Village Wakefield WF1 2DF	Ordinary	100%
SNF International Limited	1 Red Hall Crescent Paragon Business Village Wakefield WF1 2DF	Ordinary	100%

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	113,409	121,853
Finished goods and goods for resale	6,003,604	8,300,132
	<u>6,117,013</u>	<u>8,421,985</u>

The replacement cost of stock is not materially different from the amounts stated.

**17. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	93,958,744	92,458,744
	<u>93,958,744</u>	<u>92,458,744</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Debtors (continued)**

	2021 £	2020 £
<b>Due within one year</b>		
Total Trade Debtors	8,454,308	6,977,558
Amounts owed by group undertakings	10,917,337	5,931,159
Other debtors	138,534	175,486
Tax recoverable	-	0
	<u>19,510,179</u>	<u>13,084,203</u>

Amount owed by group undertakings will be paid/redeemable only when the company will be able to do so.

**18. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u>4,209,553</u>	<u>4,176,874</u>

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**SNF (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,183,819	1,278,344
Amounts owed to group undertakings	8,638,990	8,570,078
Other taxation and social security	1,933,892	2,008,303
Lease liabilities	262,843	208,343
Other creditors	64,076	63,587
Accruals and deferred income	1,281,317	548,331
	<u>13,364,937</u>	<u>12,676,986</u>

Lease liabilities are secured on the related assets.

**20. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Lease liabilities	1,265,379	1,326,965
Amounts owed to group undertakings	93,958,744	92,458,744
Other creditors	364,900	281,331
	<u>95,589,023</u>	<u>94,067,040</u>

Lease liabilities are secured on the related assets.

**SNF (UK) LIMITED**

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**21. Analysis of borrowings**

	<b>2021</b> £	<b>2020</b> £
<b>Amount due for settlement:</b>		
Between one and five years	1,265,379	1,326,965
After five years	93,958,744	92,458,744
	<u>95,224,123</u>	<u>93,785,709</u>
 On demand or within one year	 262,843	 208,343
	<u><u>95,486,966</u></u>	<u><u>93,994,052</u></u>

**b) Analysis of borrowings**

	<b>2021</b> £	<b>2020</b> £
<b>Unsecured borrowing</b>		
Amounts owed to group undertakings	93,958,744	92,458,744
<b>Total borrowings</b>	<u><u>93,958,744</u></u>	<u><u>92,458,744</u></u>

**Amount due for settlement:**

After five years		
Amounts owed to group undertakings	93,958,744	92,458,744
Other loans	<u>93,958,744</u>	<u>92,458,744</u>
	<u><u>93,958,744</u></u>	<u><u>92,458,744</u></u>

**(c) Analysis of lease liabilities**

	<b>2021</b> £	<b>2020</b> £
<b>Amount due for settlement:</b>		
Between one and five years	1,265,379	1,326,965
After five years	-	-
	<u>1,265,379</u>	<u>1,326,965</u>
 On demand or within one year	 262,843	 208,343
	<u><u>1,528,222</u></u>	<u><u>1,535,308</u></u>

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**SNF (UK) LIMITED**

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**22. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	4,209,553	4,176,874
Financial assets that are debt instruments measured at amortised cost	113,468,923	105,542,947
	<u>117,678,476</u>	<u>109,719,821</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>105,738,751</u>	<u>104,187,392</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, intercompany loans and other debtors.

Financial liabilities measured at amortised cost comprise, bank and other loans, amounts owed to group companies, trade creditors, lease liabilities, and other creditors.

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**SNF (UK) LIMITED**

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**23. Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At beginning of year	(1,084)	(41,060)
Charged to profit or loss	1,084	39,976
<b>At end of year</b>	<u><u>-</u></u>	<u><u>(1,084)</u></u>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	62,288
Short term timing differences	-	(61,204)
	<u><u>-</u></u>	<u><u>1,084</u></u>

**24. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
37,952,680 (2020 - 37,952,680) Ordinary shares of £1.00 each	<u><u>37,952,680</u></u>	<u><u>37,952,680</u></u>

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**25. Reserves****Profit & loss account**

Profit and loss reserve represents accumulated profits less dividends paid. All profit and loss reserves are distributable.

**26. Contingent liabilities**

At 31 December 2021 the company had a £0 contra indemnity regarding VAT deferment (2020 - £90,000).

**27. Pension commitments**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £345,854 (2020 - £362,218).

Contributions totalling £64,833 (2020 - £64,444) were payable to the scheme at the end of the year and are included in creditors.

**28. Post balance sheet events**

The business keeps under review the developing crisis in Ukraine and considers the appropriate action required to ensure continued operations. The direct impact is limited to chemical exports to Russia in relation to the Oil & Gas business which has a minor effect overall. The most significant impact is the indirect impact on the energy markets in Europe and the wider supply-chain for raw materials. This is very much impacting on the raw material pricing and availability and remains one of the key operational priorities for the company, ensuring customers receive the products they require to continue their operations and the management of margins.

**29. Controlling party**

The directors consider that R Pich is the ultimate controlling party.

The company's immediate parent is SPCM SA, incorporated in France.

**30. Ultimate parent undertaking**

The largest group of undertakings for which the group accounts have been drawn up is that headed by SPCM SA, incorporated in France. Copies of the consolidated financial statements can be obtained from ZAC de Milieux, 42163 Andrézieux, France.