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Registered number: 02225761

Euroresins UK Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2018

Euroresins UK Limited

Company Information

Directors	M Abagnale (resigned 9 October 2018) K Johnson B Chaing
Company secretary	K Johnson
Registered number	02225761
Registered office	Cloister Way Bridges Road Ellemere Port Cheshire CH65 4EL
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG

Euroresins UK Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Income and Retained Earnings	8
Balance Sheet	9
Notes to the Financial Statements	10 - 22

Strategic Report
For the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Results and dividends

The company made a profit for the year, after taxation, amounting to £19,936 (2017: £381,001). No dividend has been paid in 2018 (2017: £nil). The directors do not recommend payment of a final dividend. The retained profit of £19,936 will be transferred to reserves.

Business review

Trading during 2018 remains difficult. The company imports a significant proportion of its purchases from Europe and profitability and pricing have suffered increasing pressure due to the movement in the Euro GBP exchange rate. There is also significant competitive pressure in the market place. The company's key financial and performance indicator is turnover and during the year this was as follows £21,515,869 (2017: £23,945,967).

Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as: competitive, legislative, foreign currency, interest rate, credit and liquidity risk.

Competitive risk
The UK market is at risk from imports from outside Europe at cheaper prices. Changes in technology also can have an effect on the market. Pricing within the commercial and supply chain can be uncertain due to the nature of some of the raw materials.

Legislative risk
Legislative (compliance) risks concern issues such as health and safety, environmental, trade description, consumer protection, employment practices and regulatory issues. The company must identify the risks, assign accountability and allocate the appropriate resources to mitigate the risk. Failure to comply will potentially have a detrimental effect on the company, ranging from additional costs to possible cessation of operations.

Besides UK and European Standards, the company also applies its own strict internal compliance requirements.

Foreign currency risk
The company has operations outside of the UK and it buys and sells goods and services denominated in currencies other than sterling. As a result, the value of the company's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected significantly by movement in exchange rates in general and in the Euro rate in particular. The company's transactional currency exposure arises from sales or purchases in currencies other than its functional currency.

The company has decided not to enter into foreign currency forward contracts during 2018.

Interest rate risk
The company is exposed to interest rate risk on its intercompany loans with other members of the group and in respect of its invoice finance facility.

Credit risk
During 2018 the company continued to focus on reducing overdue amounts and constantly updated the targets set for overdue accounts, debtors' days and doubtful debts expense against which performance is monitored.

Liquidity risk
The company mitigates liquidity risk by managing cash generated by its operations, applying cash collection targets and setting authorisation limits for investment.

This report was approved by the board on 26 SEP 2019 and signed on its behalf.

B Chaing
Director

Directors' Report
For the Year Ended 31 December 2018

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

Principal activity and future developments

The principal activity of the company is the distribution of products to the thermoset industry. The directors foresee no material change in the nature of the company's activities.

Directors

The directors who served during the year were:

M Abagnale (resigned 9 October 2018)
K Johnson
B Chaing

Financial instruments

Objectives and policies

The company does not have a formal treasury team. This function is performed by local management and the parent company. Financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities.

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, including Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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' Report (continued)
For the Year Ended 31 December 2018

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors considers the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company.

This report was approved by the board on 26 SEP 2019 and signed on its behalf.

B Chaing
Director

Independent Auditors' Report to the Members of Euroresins UK Limited

Opinion

We have audited the financial statements of Euroresins UK Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent Auditors' Report to the Members of Euroresins UK Limited (continued)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

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

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

Independent Auditors' Report to the Members of Euroresins UK Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Grant Thornton UK LLP

Marc Summers BSc (Hons) FCA (Senior Statutory Auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Senior Statutory Auditor

London
Date: 26 SEP 2019

Statement of Income and Retained Earnings
For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	**21,515,869**	23,945,967
Cost of sales		**(19,132,976)**	(21,610,540)
Gross profit		**2,382,893**	2,335,427
Distribution costs		**(926,746)**	(1,114,301)
Administrative expenses		**(1,384,445)**	(1,271,340)
Operating profit/(loss)	5	**71,702**	(50,214)
Interest receivable and similar income	6	**74,646**	566,358
Interest payable and expenses	7	**(133,167)**	(134,223)
Profit before tax		**13,181**	381,921
Tax on profit	9	**6,755**	(920)
Profit after tax		**19,936**	381,001

Retained earnings at the beginning of the year	**5,780,415**	5,399,414
Profit for the year	**19,936**	381,001
Retained earnings at the end of the year	**5,800,351**	5,780,415

The notes on pages 10 to 22 form part of these financial statements.

Euroresins UK Limited
Registered number: 02225761

Balance Sheet
As at 31 December 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	10		**12,968**		16,541
Current assets					
Stocks	11	**2,326,808**		2,221,281	
Debtors	12	**16,145,445**		16,644,575	
Cash at bank		**140,822**		350,345	
		18,613,075		19,216,201	
Creditors: amounts falling due within one year	13	**(8,525,690)**		(9,152,325)	
Net current assets			**10,087,385**		10,063,876
Net assets			**10,100,353**		10,080,417
Capital and reserves					
Called up share capital	15		**4,300,002**		4,300,002
Profit and loss account	16		**5,800,351**		5,780,415
			10,100,353		10,080,417

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

B Chaing
Director 26 SEP 2019

The notes on pages 10 to 22 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. General information

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

The address of its registered office and principal place of business is:
Cloister Way
Bridges Road
Ellesmere Port
Cheshire
CH65 4EL

2. Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006.

2.3 Basis of preparation of financial statements

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

2.4 Financial reporting standard 102 - reduced disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken the advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company has adopted the following disclosure exemptions:
- the requirement to present a statement of cash flows and related notes
- financial instruments disclosures, including:
i) categories of financial instruments,
ii) items of income, expenses, gains or losses relating to financial instruments, and
iii) exposure to and management of financial risks
- key management personnel compensation in total.

2.5 Going concern

The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the company will continue in operational existence for the forseeable future.

2. Accounting policies (continued)

2.6 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 and discounts.

The company recognises revenue when:
The amount of revenue 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.

Turnover from sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually at the point that the goods have been dispatched to the customer.

2.7 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.8 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2. Accounting policies (continued)

2.9 Tangible assets

Tangible assets are stated in the balance sheet 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 write off the cost of assets less estimated residual value, over their estimated useful lives, as follows:

Short leasehold land and buildings	- 10% per annum straight line
Other property, plant and equipment	- 25-33% per annum straight line
Furniture, fittings and equipment	- 10% per annum straight line

2.10 Trade debtors

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss in other administrative expenses.

2.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted-average cost method.

2.12 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 with no stated interest rate and payable within one year are recorded at transaction price.

2.13 Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

2.14 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Financial instruments

Classification
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.

Recognition and measurement
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Impairment
Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2. Accounting policies (continued)

2.18 Other employee benefits

When employees have rendered a service to the company, short-term employee benefits to which the employees are entitled are recognised as the undiscounted amount expected to be paid in exchange for that service.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period if the revision and future periods of the revision affects both current and future periods.

Judgements
Stock valuation - Stocks are stated at the lower of cost and net realisable value. The determination of stock provisions requires significant judgement. In making this judgement the company evaluates amongst other factors the age and physical condition of stock and ites expected saleability based on forecast demand for the products taking into account expected trading conditions.

4. Turnover

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

	2018	2017
	£	£
Sale of goods	**21,451,074**	23,945,967
Rendering of services	**64,795**	-
	21,515,869	23,945,967

Analysis of turnover by country of destination:

	2018	2017
	£	£
UK	**20,941,982**	23,011,322
Europe	**296,086**	934,645
Rest of world	**277,801**	-
	21,515,869	23,945,967

Notes to the Financial Statements
For the Year Ended 31 December 2018

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2018 £	2017 £
Foreign exchange losses	**22,491**	464,097
Depreciation expense	**3,573**	1,320
Auditors remuneration for audit services	**22,500**	22,500
Auditors remuneration for tax services	**2,500**	-
Operating lease expense - property	**98,750**	98,750
Operating lease expense - plant and machinery	**26,558**	75,648
Exceptional item - legal fees	**-**	14,423
Exceptional item - cost of transferring stock	**-**	7,255
Exceptional item - redundancy costs	**273,345**	-

6. Interest receivable

	2018 £	2017 £
Interest receivable from group companies	**74,272**	199,453
Net changes in fair value of cash flow hedges	**-**	366,749
Other interest receivable	**374**	156
	74,646	566,358

7. Interest payable and similar expenses

	2018 £	2017 £
Interest payable on loans from group undertakings	**70,659**	67,417
Other finance costs	**62,171**	66,550
Other interest payable	**337**	256
	133,167	134,223

Notes to the Financial Statements
For the Year Ended 31 December 2018

8. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	**633,376**	792,094
Social security costs	**68,141**	81,856
Cost of defined contribution scheme	**27,247**	34,782
Redundancy costs	**273,345**	-
	1,002,109	908,732

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

	2018 No.	2017 No.
Administration and support	**9**	14
Sales	**5**	6
Distribution	**3**	3
	17	23

Notes to the Financial Statements
For the Year Ended 31 December 2018

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	**(5,798)**	2,607
Total current tax	**(5,798)**	2,607
Deferred tax		
Origination and reversal of timing differences	**(957)**	(1,687)
Total deferred tax	**(957)**	(1,687)
Taxation on (loss)/profit on ordinary activities	**(6,755)**	920

Factors affecting tax charge for the year

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

	2018 £	2017 £
Profit on ordinary activities before tax	**13,181**	381,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**2,504**	73,520
Effects of:		
Expenses not deductible for tax purposes	**-**	192
Capital allowances for year in excess of depreciation	**451**	-
Adjustments to tax charge in respect of prior periods	**(5,798)**	2,607
Deferred tax expense relating to changes in tax rates or laws	**113**	223
Other differences leading to an increase (decrease) in the tax charge	**-**	(12,080)
Group relief	**(4,025)**	(63,542)
Total tax charge for the year	**(6,755)**	920

10. Tangible assets

	Short leasehold land and buildings £	Other property, plant and equipment £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 January 2018	**304,692**	**171,381**	**52,123**	**528,196**
At 31 December 2018	**304,692**	**171,381**	**52,123**	**528,196**
Depreciation				
At 1 January 2018	**304,692**	**154,840**	**52,123**	**511,655**
Charge for the year	**-**	**3,573**	**-**	**3,573**
At 31 December 2018	**304,692**	**158,413**	**52,123**	**515,228**
Net book value				
At 31 December 2018	**-**	**12,968**	**-**	**12,968**
At 31 December 2017	-	16,541	-	16,541

11. Stocks

	2018 £	2017 £
Finished goods and goods for resale	**2,326,808**	2,221,281

Notes to the Financial Statements
For the Year Ended 31 December 2018

12. Debtors

	2018 £	2017 £
Trade debtors	**3,115,486**	3,478,436
Amounts owed by related parties	**12,578,154**	12,475,222
Other debtors	**8,592**	539,406
Prepayments and accrued income	**349,451**	76,950
Income tax asset	**80,230**	61,986
Deferred tax asset	**13,532**	12,575
	16,145,445	16,644,575

Details of non-current other debtors
£nil (2017: £266,572) of other debtors is classified as non current.

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**2,501,684**	2,646,405
Amounts owed to related parties	**3,928,339**	3,644,785
Other taxation and social security	**391,993**	212,578
Other creditors	**1,632,910**	2,609,313
Accruals	**70,764**	39,244
	8,525,690	9,152,325

Included within the other creditors balance is an amount of £1,579,652 (2017 - £2,579,398) in respect of the company's invoice discounting facility. This amount is secured by fixed and floating charges over the company's assets.

Notes to the Financial Statements
For the Year Ended 31 December 2018

14. Deferred taxation

	2018 £
At beginning of year	**12,575**
Charged to profit or loss	**957**
At end of year	**13,532**

The deferred tax asset is made up as follows:

	2018 £	2017 £
Decelerated capital allowances	**12,529**	11,922
Other timing differences	**1,003**	653
	13,532	12,575

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
4,300,002 (2017 - 4,300,002) Ordinary shares shares of £1.00 each	**4,300,002**	4,300,002

16. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

Called up share capital - ordinary shares

Represents the nominal value of the shares that have been issued.

17. Contingent liabilities

The company has given cross guarantees to Cathay Investments Limited group bankers in respect of borrowings by certain group companies. The amount guaranteed is £28,710,362 (2017: £28,241,681).

The company has given cross guarantees in respect of borrowings by Cathay Investments 2 Limited (a fellow group company) and certain of its subsidiaries. The total amount of contingencies not included in the balance sheet is £8,104,343 (2017 - £6,781,091).

Notes to the Financial Statements
For the Year Ended 31 December 2018

18. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	**144,795**	141,579
Later than 1 year and not later than 5 years	**446,504**	355,061
Later than 5 years	**191,277**	392,459
	782,576	889,099

The amount of non-cancellable operating lease payments recognised as an expense during the year was £125,308 (2017: £174,398).

19. Related party transactions

Summary of transactions with other related parties

Amethyst Group Limited
(Group company)
During the year the company was invoiced for services totalling £247,636 (2017 - £329,501) by Amethyst Group Limited. At the balance sheet date the amount due to Amethyst Group Limited was £44,478 (2017 - £23,275).

Perkins Group Services Limited
(Group company)
During the year the company was invoiced for services totalling £4,856 (2017 - £5,947) by Perkins Group Services Limited. At the balance sheet date the amount due to Perkins Group Services Limited was £nil (2017 - £1,646).

PNC Global Logistics UK Limited
(Group company)
During the year the company was invoiced for services totalling £247,222 (2017 - £81,608) by PNC Global Logistics Limited. At the balance sheet date the amount due to PNC Global Logistics Limited was £16,710 (2017 - £15,617).

The Original Poster Company Limited
(Group company)
During the year the company has invoiced for services totalling £8,698 (2017 - £6,891) to The Original Poster Company Limited. At the balance sheet date the amount due from The Original Poster Company Limited was £260 (2017 - £1,826).

Lantor BV
(Group company)
During the year the company was invoiced for purchases totalling £231,481 (2017 - £217,487) by Lantor BV. At the balance sheet date the amount due to Lantor BV was £13,921 (2017 - £30,660).

The company has taken advantage of the exemption in Section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group.

20. Controlling party

The company's immediate parent is Euroresins International GmbH, incorporated in Germany.

The ultimate parent is Chaing Equities Limited, incorporated in England and Wales. The ultimate controlling party is B Chaing and members of his close family, who control, directly or indirectly, 100% of the share capital in Chaing Equities Limited.

The most senior parent entity producing publicly available financial statements is Chaing Equities Limited. The immediate parent producing publicly available financial statements is Cathay Investments Limited. These financial statements are available upon request from Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG.

Euroresins UK Limited

Detailed profit and loss account
For the Year Ended 31 December 2018

	2018 £	2017 £
Turnover	**21,515,869**	23,945,967
Cost Of Sales	**(19,132,976)**	(21,610,540)
Gross profit	**2,382,893**	2,335,427
Gross profit %	**11.1 %**	9.8 %
Less: overheads		
Selling and distribution expenses	**(926,746)**	(1,114,301)
Administration expenses	**(1,384,445)**	(1,271,340)
Operating profit/(loss)	**71,702**	(50,214)
Interest receivable	**74,646**	566,358
Interest payable	**(133,167)**	(134,223)
Tax on profit on ordinary activities	**6,755**	(920)
Profit for the year	**19,936**	381,001

Schedule to the Detailed Accounts
For the Year Ended 31 December 2018

	2018 £	2017 £
Turnover		
Sale of goods, UK	**20,909,509**	23,011,322
Sale of goods, Europe	**264,169**	934,645
Sale of goods, Rest of world	**277,396**	-
Rendering of services, UK	**32,473**	-
Rendering of services, Europe	**31,917**	-
Rendering of services Rest of world	**405**	-
	21,515,869	23,945,967

	2018 £	2017 £
Cost of sales		
Purchases	**19,103,614**	21,140,348
Direct costs	**6,871**	6,095
Foreign exchange differences	**22,491**	464,097
	19,132,976	21,610,540

	2018 £	2017 £
Selling and distribution expenses		
Carriage	**341,893**	388,239
Salaries and wages	**511,838**	630,529
National insurance	**50,712**	66,278
Staff pensions	**22,303**	29,255
	926,746	1,114,301

Schedule to the Detailed Accounts
For the Year Ended 31 December 2018

	2018 £	2017 £
Administration expenses		
Staff salaries	**121,538**	161,565
Staff national insurance	**17,429**	15,578
Staff pension costs	**4,944**	5,527
Staff welfare	**19,911**	(47,441)
Motor running costs	**7,835**	5,887
Hotels, travel and subsistence	**(989)**	71
Printing and stationery	**8,872**	8,159
Postage	**15,917**	14,850
Telephone and fax	**12,586**	12,220
Computer costs	**6,932**	6,961
Trade subscriptions	**1,268**	795
Legal and professional	**25,670**	18,891
Management charges	**678,285**	849,526
Equipment hire	**7,793**	3,309
Bank charges	**59,463**	59,893
Bad debts	**(17,420)**	11,213
Sundry expenses	**16,691**	10,067
Rent	**9,994**	9,993
Rates	**7,528**	7,463
Light and heat	**26,327**	22,293
Cleaning	**9,502**	8,377
Insurances	**57,075**	47,870
Repairs and maintenance	**10,376**	15,275
Depreciation	**3,573**	1,320
Exceptional item - legal fees	**-**	14,423
Exceptional item - cost of transferring stock	**-**	7,255
Exceptional item - redundancy costs	**273,345**	-
	1,384,445	1,271,340

	2018 £	2017 £
Interest receivable		
Net changes in fair value of cash flow hedges	**-**	366,749
Other interest receivable	**374**	156
Interest from group companies	**74,272**	199,453
	74,646	566,358

Schedule to the Detailed Accounts
For the Year Ended 31 December 2018

	2018 £	2017 £
Interest payable		
Interest payable to group undertakings	**70,659**	67,417
Other interest payable	**337**	256
Factoring interest	**62,171**	66,550
	133,167	134,223