

Company Registration No. 02334866 (England and Wales)

**BITUCHEM HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# BITUCHEM HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Paschali P Paschali Jnr P Paschali Snr R K Lord N Panagiotis Y Nyzhnyk Paschali
<b>Secretary</b>	M Paschali
<b>Company number</b>	02334866
<b>Registered office</b>	Laymore Road Forest Vale Industrial Estate Cinderford Gloucestershire United Kingdom GL14 2PH
<b>Auditor</b>	Azets Audit Services Epsilon House The Square Gloucester Business Park Brockworth Gloucester United Kingdom GL3 4AD
<b>Business address</b>	Laymore Road Forest Vale Industrial Estate Cinderford Gloucestershire United Kingdom GL14 2PH
<b>Bankers</b>	Barclays Bank Plc 6 Market Place Bexleyheath Kent United Kingdom DA6 7DY

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# BITUCHEM HOLDINGS LIMITED

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# **BITUCHEM HOLDINGS LIMITED**

## **STRATEGIC REPORT**

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

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

#### **Fair review of the business**

The results for the year are in line with expectations and are considered satisfactory by the directors. Turnover has shown consistent improvement over recent years with turnover of £17.9m this year compared to £15.2m for the previous year. The company has reported another profitable year and the results are in line with the directors expectations.

The company continue to maintain long term relationships with key clients and suppliers. It has also continued the successful development and integration of new products in the industry. This in turn has created opportunities in winning new clients and company growth into the future.

#### **Financial Risk Management - Objectives and Policies**

Due to the nature of the groups trade, the directors consider that changes in the economy and the effect that these changes have on the construction sectors to be a principal risk of the group. The risks that the group faces within the construction sector are mitigated, as far as possible, by fulfilling contracts for a diverse range of sectors.

The directors recognise that the current market conditions are likely to provide continuing challenges within the contracting sector in the forthcoming year. The group overall is in a strong position within the contracting sector at the year end with a significant order book for the forthcoming year.

#### **Key performance indicators**

The directors consider the key financial performance indicators (KPI's) when assessing the performance of the group. The KPI's used by the directors in the current market conditions are the control of overheads and costs.

On behalf of the board

R K Lord  
**Director**

23 September 2022

# **BITUCHEM HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

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

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

#### **Principal activities**

The principal activity of the company and group continued to be that of manufacturing, supplying and marketing bituminous products for use in road construction and civil engineering.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £570,000. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Paschali  
P Paschali Jnr  
P Paschali Snr  
R K Lord  
N Panagiotis  
Y Nyzhnyk Paschali

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the group will be put at a General Meeting.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

## **BITUCHEM HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

R K Lord

**Director**

23 September 2022

# BITUCHEM HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BITUCHEM HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Bituchem Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 December 2021 and of the group's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 group's and parent 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 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.

# **BITUCHEM HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BITUCHEM HOLDINGS LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **BITUCHEM HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BITUCHEM HOLDINGS LIMITED**

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#### **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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# **BITUCHEM HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BITUCHEM HOLDINGS LIMITED**

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### **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.

**Mark Handscombe (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

23 September 2022

**Chartered Accountants**  
**Statutory Auditor**

Epsilon House  
The Square  
Gloucester Business Park  
Brockworth  
Gloucester  
United Kingdom  
GL3 4AD

# BITUCHEM HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	17,892,604	15,221,409
Cost of sales		(8,552,884)	(7,085,697)
<b>Gross profit</b>		<u>9,339,720</u>	<u>8,135,712</u>
Distribution costs		(756,995)	(576,433)
Administrative expenses		(7,009,316)	(5,982,413)
Other operating income		58,767	201,455
<b>Operating profit</b>	<b>4</b>	<u>1,632,176</u>	<u>1,778,321</u>
Interest payable and similar expenses	<b>8</b>	(30,874)	(26,038)
<b>Profit before taxation</b>		<u>1,601,302</u>	<u>1,752,283</u>
Tax on profit	<b>9</b>	(295,460)	(262,933)
<b>Profit for the financial year</b>		<u><u>1,305,842</u></u>	<u><u>1,489,350</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		1,300,431	1,480,725
- Non-controlling interests		5,411	8,625
		<u><u>1,305,842</u></u>	<u><u>1,489,350</u></u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		1,300,431	1,480,725
- Non-controlling interests		5,411	8,625
		<u><u>1,305,842</u></u>	<u><u>1,489,350</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# BITUCHEM HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		2,261,349		2,328,800
<b>Current assets</b>					
Stocks	14	1,234,826		711,053	
Debtors	15	2,253,614		1,387,495	
Cash at bank and in hand		3,528,434		3,388,795	
		<u>7,016,874</u>		<u>5,487,343</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,521,423)</u>		<u>(1,849,886)</u>	
<b>Net current assets</b>			4,495,451		3,637,457
<b>Total assets less current liabilities</b>			<u>6,756,800</u>		<u>5,966,257</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(19,695)		(37,875)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	<u>364,823</u>		<u>291,942</u>	
			<u>(364,823)</u>		<u>(291,942)</u>
<b>Net assets</b>			<u>6,372,282</u>		<u>5,636,440</u>
<b>Capital and reserves</b>					
Called up share capital	22		5,000		5,000
Revaluation reserve			293,400		293,600
Profit and loss reserves			<u>6,001,818</u>		<u>5,271,187</u>
<b>Equity attributable to owners of the parent company</b>			<u>6,300,218</u>		<u>5,569,787</u>
<b>Non-controlling interests</b>			<u>72,064</u>		<u>66,653</u>
			<u>6,372,282</u>		<u>5,636,440</u>

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

R K Lord  
Director

# BITUCHEM HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		476,276		502,094
Investments	12		500		500
			<u>476,776</u>		<u>502,594</u>
<b>Current assets</b>					
Debtors	15	160,487		96,534	
Cash at bank and in hand		86,623		148,385	
		<u>247,110</u>		<u>244,919</u>	
<b>Creditors: amounts falling due within one year</b>	16	(138,781)		(193,999)	
<b>Net current assets</b>			<u>108,329</u>		<u>50,920</u>
<b>Total assets less current liabilities</b>			<u>585,105</u>		<u>553,514</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	20	26,543		24,278	
		<u>(26,543)</u>		<u>(24,278)</u>	
<b>Net assets</b>			<u>558,562</u>		<u>529,236</u>
<b>Capital and reserves</b>					
Called up share capital	22		5,000		5,000
Revaluation reserve			293,400		293,600
Profit and loss reserves			260,162		230,636
<b>Total equity</b>			<u>558,562</u>		<u>529,236</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £599,326 (2020 - £783,253 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 23 September 2022 and are signed on its behalf by:

R K Lord  
Director

Company Registration No. 02334866

# BITUCHEM HOLDINGS LIMITED

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

	Share capital	Revaluation	Profit and	Non-controlling	Total
		reserves	reserves	interest	
Notes	£	£	£	£	£
<b>Balance at 1 January 2020</b>	5,000	293,800	4,423,034	4,721,834	58,028
					4,779,862
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year	-	-	1,480,725	1,480,725	8,625
Dividends	-	-	(632,772)	(632,772)	-
Transfers	-	(200)	200	-	-
					5,636,440
<b>Balance at 31 December 2020</b>	5,000	293,600	5,271,187	5,569,787	66,653
					5,636,440
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year	-	-	1,300,431	1,300,431	5,411
Dividends	-	-	(570,000)	(570,000)	-
Transfers	-	(200)	200	-	-
					6,372,282
<b>Balance at 31 December 2021</b>	5,000	293,400	6,001,818	6,300,218	72,064
					6,372,282

# BITUCHEM HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2020</b>		5,000	293,800	79,956	378,756
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	783,252	783,252
Dividends	10	-	-	(632,772)	(632,772)
Transfers		-	(200)	200	-
<b>Balance at 31 December 2020</b>		5,000	293,600	230,636	529,236
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	599,326	599,326
Dividends	10	-	-	(570,000)	(570,000)
Transfers		-	(200)	200	-
<b>Balance at 31 December 2021</b>		5,000	293,400	260,162	558,562

# BITUCHEM HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	1,503,188		2,537,056	
Interest paid		(30,874)		(26,038)	
Income taxes paid		(254,723)		(6,034)	
<b>Net cash inflow from operating activities</b>		1,217,591		2,504,984	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(507,930)		(501,551)	
Proceeds on disposal of tangible fixed assets		-		40,000	
<b>Net cash used in investing activities</b>		(507,930)		(461,551)	
<b>Financing activities</b>					
Payment of finance leases obligations		(21,280)		(24,917)	
Dividends paid to equity shareholders		(570,000)		(632,772)	
<b>Net cash used in financing activities</b>		(591,280)		(657,689)	
<b>Net increase in cash and cash equivalents</b>		118,381		1,385,744	
Cash and cash equivalents at beginning of year		3,383,253		1,997,509	
<b>Cash and cash equivalents at end of year</b>		3,501,634		3,383,253	
<b>Relating to:</b>					
Cash at bank and in hand		3,528,434		3,388,795	
Bank overdrafts included in creditors payable within one year		(26,800)		(5,542)	



# BITUCHEM HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	28		(9,669)		178,280
Income taxes paid			(30,093)		-
<b>Net cash (outflow)/inflow from operating activities</b>			(39,762)		178,280
<b>Investing activities</b>					
Dividends received		548,000		678,000	
<b>Net cash generated from investing activities</b>			548,000		678,000
<b>Financing activities</b>					
Dividends paid to equity shareholders		(570,000)		(632,772)	
<b>Net cash used in financing activities</b>			(570,000)		(632,772)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(61,762)		223,508
Cash and cash equivalents at beginning of year			148,385		(75,123)
<b>Cash and cash equivalents at end of year</b>			86,623		148,385

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Bituchem Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Laymore Road, Forest Vale Industrial Estate, Cinderford, Gloucestershire, United Kingdom. GL14 2PH.

The group consists of Bituchem Holdings Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of Bituchem Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line on buildings, 20% straight line on office additions and none on land
Leasehold land and buildings	5% straight line
Plant and equipment	5% - 50% straight line
Fixtures and fittings	10% - 25% straight line
Motor vehicles	25% - 50% reducing balance and 50% straight line

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

#### 1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

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

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

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

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

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.12 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

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

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

#### 1.13 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

#### 1.16 Government grants

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

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

#### 1.17 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Other significant revenue</b>		
Grants received	58,767	186,955

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

The grants received relate to claims made by the company under the Coronavirus Job Retention Scheme (JRS).

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	(7,259)
Government grants	(58,767)	(186,955)
Depreciation of owned tangible fixed assets	548,051	613,723
Depreciation of tangible fixed assets held under finance leases	27,330	28,777
(Profit)/loss on disposal of tangible fixed assets	-	4,917
Operating lease charges	468,083	338,395

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,250	5,095
Audit of the financial statements of the company's subsidiaries	18,195	17,645
	23,445	22,740

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Employees	55	49	6	6
Directors	11	11	-	-
Total	66	60	6	6

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,734,248	2,472,550	449,831	246,049
Social security costs	310,904	266,498	60,400	30,153
Pension costs	222,810	166,122	72,528	27,528
	3,267,962	2,905,170	582,759	303,730

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	668,257	802,134
Company pension contributions to defined contribution schemes	131,897	33,447
	800,154	835,581

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	230,046	240,478
Company pension contributions to defined contribution schemes	29,239	-

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on invoice finance arrangements	28,065	22,637
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	2,809	3,401
Total finance costs	30,874	26,038

### 9 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	226,997	283,331
Adjustments in respect of prior periods	(4,418)	(82)
Total current tax	222,579	283,249
<b>Deferred tax</b>		
Origination and reversal of timing differences	72,881	(20,316)
Total tax charge	295,460	262,933

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	1,601,302	1,752,283
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	304,247	332,934
Tax effect of expenses that are not deductible in determining taxable profit	5,237	4,830
Adjustments in respect of prior years	(4,418)	(82)
Effect of change in corporation tax rate	87,558	-
Depreciation on assets not qualifying for tax allowances	4,759	4,194
Amortisation on assets not qualifying for tax allowances	257	207
Research and development tax credit	(98,523)	(79,150)
Super deduction scheme	(3,657)	-
Taxation charge	295,460	262,933

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Dividends

	2021	2020	2021	2020
Recognised as distributions to equity holders:	Per share	Per share	Total	Total
	£	£	£	£
<b>Ordinary</b>				
Interim paid	114.00	126.55	570,000	632,772

### 11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 January 2021	428,540	27,295	5,573,078	218,737	133,566	6,381,216
Additions	-	-	504,575	3,355	-	507,930
At 31 December 2021	428,540	27,295	6,077,653	222,092	133,566	6,889,146
<b>Depreciation and impairment</b>						
At 1 January 2021	73,329	8,916	3,720,613	144,364	105,194	4,052,416
Depreciation charged in the year	1,678	1,365	538,014	27,232	7,092	575,381
At 31 December 2021	75,007	10,281	4,258,627	171,596	112,286	4,627,797
<b>Carrying amount</b>						
At 31 December 2021	353,533	17,014	1,819,026	50,496	21,280	2,261,349
At 31 December 2020	355,211	18,379	1,852,465	74,373	28,372	2,328,800
<b>Company</b>			<b>Freehold land and buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
			£	£	£	£
<b>Cost or valuation</b>						
At 1 January 2021 and 31 December 2021			428,540	484,837	9,750	923,127
<b>Depreciation and impairment</b>						
At 1 January 2021			73,329	337,954	9,750	421,033
Depreciation charged in the year			1,678	24,140	-	25,818
At 31 December 2021			75,007	362,094	9,750	446,851
<b>Carrying amount</b>						
At 31 December 2021			353,533	122,743	-	476,276
At 31 December 2020			355,211	146,883	-	502,094

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	46,268	69,258	-	-
Motor vehicles	13,021	17,361	-	-
	<u>59,289</u>	<u>86,619</u>	<u>-</u>	<u>-</u>

Land and buildings were revalued in October 2010 by J.L.B. Kendrick (B.A. Hons, Cert. T.P., F. Inst.L.Ex) of Kendricks Planning Limited, an independent valuers not connected with the company on the basis of open market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Land and buildings are carried at fair value. If land and buildings were measured using the cost model the carrying amount for the group/company would be £61,611 (2020: £61,911) consisting of cost of £131,540 (2020: £131,540) and depreciation of £69,929 (2020: £69,629).

### 12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	500	500

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 January 2021 and 31 December 2021

500

#### Carrying amount

At 31 December 2021

500

At 31 December 2020

500

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Bituchem Asphalt Limited	UK	Ordinary	99.00
Bituchem Building Products Limited	UK	Ordinary	99.00
Bituchem Contracting Limited	UK	Ordinary	99.00
Bituchem Limited	UK	Ordinary	99.00
Bituchem Highway Solutions Limited	UK	Ordinary	100.00

### 14 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	1,101,577	619,724	-	-
Finished goods and goods for resale	133,249	91,329	-	-
	<u>1,234,826</u>	<u>711,053</u>	<u>-</u>	<u>-</u>

### 15 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	912,135	783,680	-	-
Corporation tax recoverable	54,331	27,213	-	-
Amounts owed by group undertakings	-	-	119,983	63,033
Other debtors	957,392	431,152	-	-
Prepayments and accrued income	329,756	145,450	40,504	33,501
	<u>2,253,614</u>	<u>1,387,495</u>	<u>160,487</u>	<u>96,534</u>

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	18	26,800	5,542	-	-
Obligations under finance leases	19	18,180	21,280	-	-
Trade creditors		683,486	437,657	31,137	25,635
Amounts owed to group undertakings		-	-	100	100
Amounts owed to undertakings in which the group has a participating interest		-	-	4,143	20,191
Corporation tax payable		151,828	156,853	19,323	30,094
Other taxation and social security		103,251	268,263	37,789	76,686
Other creditors		784,167	216,387	-	-
Accruals and deferred income		753,711	743,904	46,289	41,293
		<u>2,521,423</u>	<u>1,849,886</u>	<u>138,781</u>	<u>193,999</u>

Included within other creditors is £780,900 (2020: £203,966) owing to Barclays Bank Plc Sales Financing under a confidential invoice discounting facility. The debt is secured by a first charge over the book debts of the company.

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	19	19,695	37,875	-	-
		<u>19,695</u>	<u>37,875</u>	<u>-</u>	<u>-</u>

### 18 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank overdrafts	26,800	5,542	-	-
	<u>26,800</u>	<u>5,542</u>	<u>-</u>	<u>-</u>
Payable within one year	26,800	5,542	-	-
	<u>26,800</u>	<u>5,542</u>	<u>-</u>	<u>-</u>

The long-term loans are secured by fixed and floating charge over the assets of the group. In addition, the group has entered into a Composite Accounting Agreement whereby each participating company has provided a guarantee to the bank, under the terms of which the bank is authorised to offset credit balances and apply them in the reduction of liabilities including debit balances with the Composite Accounting Agreement

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	20,905	25,851	-	-
In two to five years	22,647	43,552	-	-
	<u>43,552</u>	<u>69,403</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(5,677)	(10,248)	-	-
	<u>37,875</u>	<u>59,155</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Amounts due under hire purchase are secured by the assets to which they relate.

### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
<b>Group</b>		
Accelerated capital allowances	365,674	291,942
Other timing differences	(851)	-
	<u>364,823</u>	<u>291,942</u>
	<u><u>364,823</u></u>	<u><u>291,942</u></u>
	Liabilities 2021 £	Liabilities 2020 £
<b>Company</b>		
Accelerated capital allowances	26,543	24,278
	<u>26,543</u>	<u>24,278</u>



# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 20 Deferred taxation (Continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 January 2021	291,942	24,278
Charge to profit or loss	72,881	2,265
Liability at 31 December 2021	364,823	26,543

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 21 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	222,810	166,122

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	5,000	5,000	5,000	5,000

### 23 Operating lease commitments

#### Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	236,649	192,375	-	-
Between two and five years	707,650	180,356	-	-
In over five years	46,981	-	-	-
	991,280	372,731	-	-

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	365,492	-	-	-

### 25 Related party transactions

#### Transactions with related parties

As at 31 December 2021, the group paid rents of £47,500 (2020: £47,500) to Bituchem Holdings Limited Retirement Benefit Scheme.

### 26 Controlling party

At 31 December 2021 the company's ultimate parent company was Inter-Euro Investments Limited, a company incorporated in Cyprus, by virtue of its 100% interest in the share capital of Bituchem Holdings Limited.

The ultimate controlling party is P Paschali Senior, by virtue of his controlling interest in Inter-Euro Investments Limited.

### 27 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,305,842	1,489,350
<b>Adjustments for:</b>		
Taxation charged	295,460	262,933
Finance costs	30,874	26,038
(Gain)/loss on disposal of tangible fixed assets	-	4,917
Depreciation and impairment of tangible fixed assets	575,381	642,500
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(523,773)	301,429
Increase in debtors	(839,000)	(238,265)
Increase in creditors	658,404	48,154
<b>Cash generated from operations</b>	<b>1,503,188</b>	<b>2,537,056</b>

# BITUCHEM HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 28 Cash (absorbed by)/generated from operations - company

	2021 £	2020 £
Profit for the year after tax	599,326	783,252
<b>Adjustments for:</b>		
Taxation charged	21,588	25,775
Investment income	(548,000)	(678,000)
Depreciation and impairment of tangible fixed assets	25,818	25,818
<b>Movements in working capital:</b>		
Increase in debtors	(63,953)	(6,249)
(Decrease)/increase in creditors	(44,448)	27,684
<b>Cash (absorbed by)/generated from operations</b>	<b>(9,669)</b>	<b>178,280</b>

### 29 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	3,388,795	139,639	3,528,434
Bank overdrafts	(5,542)	(21,258)	(26,800)
	<u>3,383,253</u>	<u>118,381</u>	<u>3,501,634</u>
Obligations under finance leases	(59,155)	21,280	(37,875)
	<u>3,324,098</u>	<u>139,661</u>	<u>3,463,759</u>

### 30 Analysis of changes in net funds - company

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	148,385	(61,762)	86,623

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