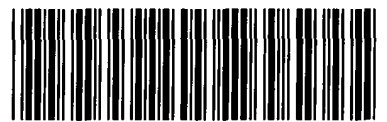


Blubberhouses Moor Limited

Director's report and financial statements

Year ended 31 December 2020
02624570 (England and Wales)

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Director's report

The director presents his report and financial statements for the year ended 31 December 2020.

Principal activity

The Company's principal activity will continue to be the management and utilisation of moorland. Effective management will facilitate the long term capital appreciation of the asset.

Review of the business

Income received amounts to £171,637 (2019: £191,564). The Company's results show a profit after tax of £6,848 (2019: £48,003). The majority of the income continues to be received as a royalty from a partner in return for the rights to extract and process mineral from the property. To date, there is still no expectation that this right will be exercised.

Additional income is received in the form of Defra funding and rental income from a telecommunication mast.

Principal risks and uncertainties

The principal risks which would impact on the Company's ability to execute its strategy are:

- (i) The loss of the royalty from the Company's partner would result in over half of its revenue.
- (ii) Changes to Defra's funding for land management.
- (iii) Future increases in interest rates. The Company's principal funding is by way of an intercompany loan which attracts interest at LIBOR + 0.55%.

Results and dividends

The results for the year are set out on page 6.

Capital management

The Company defines capital as its net assets, or equity. At the reporting date, the Company had no external debt. Detailed cash flow forecasts are prepared at a Group level on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the Company's capital effectively. The Company has indirect access to the Group's cash pooling arrangements which allows for surplus capital to be fully utilised and shortfalls in capital to be met.

Director

The following is a list of all persons who were directors of the Company at any time between 1 January 2020 and the date of this report:

JW van Put

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Director's report (continued)

Disclosure of information to auditor

The director who held office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

Amounts owed to group undertakings

The amounts owed to group undertakings are unsecured. While the repayment is after one year, no specific repayment dates have been fixed. The parent company has confirmed that it will not seek repayment of this loan for 12 months from the reporting date.

Going Concern

The Director remains optimistic that the Company can continue to produce positive trading results and cash flows in an uncertain economic environment. The director has continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company. The director has also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Blubberhouses Moor Ltd, i.e. SCR Sibelco NV, has provided a letter of support covering a period of at least 12 months from the date of approval of the financial statements. The director therefore considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Events after the reporting period

No adjustments have been made to the Company's reported results or financial position as a result of COVID. The future financial impact cannot presently be estimated as it is highly dependent on the the severity and duration of the pandemic, but it could be material to the Company's results and financial position and could result in changes in carrying values of fixed and current assets.

By order of the board

JW van Put
Director



Date: 4 February 2022

Registered office
Brookside Hall
Congleton Road
Sandbach
Cheshire
CW11 4TF

Statement of directors' responsibilities in respect of the Director's report and the financial statements

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with IFRS 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUBBERHOUSES MOOR LIMITED

Opinion

We have audited the financial statements of Blubberhouses Moor Limited for the year ended 31 December 2020 which comprise of the Income statement, Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Cash flow statement and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 this 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUBBERHOUSES MOOR LIMITED (continued)

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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 set out 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUBBERHOUSES MOOR LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

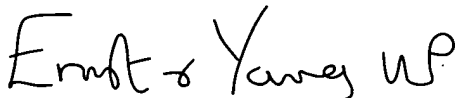
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom in addition the Company has to comply with laws and regulations relating to its operations and health and safety.
- We understood how Blubberhouses Moor Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and identified the timing of revenue recognition around year end as a fraud risk. We performed testing of an increased number of transactions around the year end to supporting documentation to ensure they were recorded in the appropriate period. We also identified management override through posting of inappropriate journals as a fraud risk. We selected from the whole population of journals and our procedures involved testing of specific journals identified based upon our defined risk criteria by reference to related supporting documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of documentation, testing of specific journals identified based upon our defined risk criteria and enquiries of management for correspondence with relevant authorities. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards and UK legislation.

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

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.



Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

4 February 2022

Income statement
for the year ended 31 December 2020

	<i>Note</i>	2020	2019
		£	£
Revenue	2	171,637	191,564
Cost of sales		(158,193)	(111,054)
Gross profit		13,444	80,510
Administrative expenses		(9,791)	(14,484)
Operating profit	3	3,653	66,026
Finance expense	5	(8,101)	(11,752)
(Loss) Profit before taxation		(4,448)	54,274
Taxation	6	11,296	(6,271)
Profit for the year	13	6,848	48,003

All results derive from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

Statement of comprehensive income
for the year ended 31 December 2020

	2020 £	2019 £
Profit/(Loss) for the year	6,848	48,003
Total comprehensive income for the period	6,848	48,003
Total is attributable to:		
Equity shareholders	6,848	48,003

Statement of changes in equity
for the year ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	1,100,000	(55,315)	1,044,685
Total comprehensive income for the year	-	48,003	48,003
At 31 December 2019 and 1 January 2020	1,100,000	(7,312)	1,092,688
Total comprehensive income for the year	-	6,848	6,848
At 31 December 2020	1,100,000	(464)	1,099,536

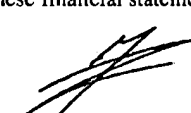
The notes on pages 11 to 19 form part of these financial statements.

Statement of financial position
at 31 December 2020

	<i>Note</i>	2020 £	2019 £
Non-current assets			
Property, plant and equipment	7	1,762,663	1,772,454
Deferred tax	10	4,429	4,300
		<u>1,767,092</u>	<u>1,776,754</u>
Current assets			
Trade and other receivables	8	222,022	200,569
		<u>222,022</u>	<u>200,569</u>
Total assets		<u>1,989,114</u>	<u>1,977,323</u>
Current liabilities			
Tax payable – group relief payable		(11,989)	(23,156)
Accruals and deferred income	9	(9,489)	-
Amount owed to group undertakings	9	(8,101)	(1,480)
		<u>(29,579)</u>	<u>(24,636)</u>
Non-current liabilities			
Loans due to group undertakings	9	<u>(859,999)</u>	<u>(859,999)</u>
Total liabilities		<u>(889,578)</u>	<u>(884,635)</u>
Net assets		<u>1,099,536</u>	<u>1,092,688</u>
Equity			
Called up share capital	12	1,100,000	1,100,000
Profit and loss account	13	<u>(464)</u>	<u>(7,312)</u>
Total equity		<u>1,099,536</u>	<u>1,092,688</u>

The notes on pages 11 to 19 form part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:


JW van Put

Director

Date: 4 February 2022

Cash flow statement
for year ended 31 December 2020

	<i>Note</i>	2020 £	2019 £
Cash flows from operating activities			
(Loss)/Profit before taxation		(4,448)	54,274
<i>Adjustments for:</i>			
Depreciation	7	9,791	14,484
Interest expense	5	8,101	11,752
		<u>13,444</u>	<u>80,510</u>
(Increase) in trade and other receivables	8	(21,453)	(32,523)
(Decrease) in trade and other payables	9	16,110	(13,994)
		<u>8,101</u>	<u>33,993</u>
Cash generated from operations		8,101	33,993
Taxation received / (paid)		-	-
		<u>8,101</u>	<u>33,993</u>
Net cash from operating activities		8,101	33,993
Cash flows from investing activities			
Purchase of property, plant & equipment	7	-	(22,141)
Cash flows from financing activities			
Interest paid	5	(8,101)	(11,752)
		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
		<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December		-	-

The notes on pages 11 to 19 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Blubberhouses Moor Limited (the "Company") is a company incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and approved by the directors in accordance with International Financial Reporting Standards.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

Going concern

The director has continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The director has also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Blubberhouses Moor Ltd, i.e. SCR Sibelco NV, has provided a letter of support covering a period of at least 12 months from the date of approval of the financial statements. The director therefore considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The Company only lists and addresses those new and amended standards and interpretations that are relevant to the Company's financial position, performance and/or disclosures.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows.

Freehold land	Not depreciated
Freehold building	20 years
Plant and Equipment	5 years

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Notes (continued)

1 Accounting policies (continued)

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Expenses

Net financing costs

Net financing costs comprise interest payable and interest receivable on funds invested that are recognised in the income statement. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Revenue

Royalty income is derived from royalties received in respect of mining rights which have been granted on a long term lease. A minimum royalty is received quarterly from the tenant regardless of quantities extracted. In addition the estate income relates to fees paid in relation to the utilisation of the estate for a variety of purposes. Both revenue streams are recognised on an accruals basis.

Functional and Presentational Currency

The functional and presentation currency of Blubberhouses Moor Limited is Pounds Sterling.

2 Analysis of revenue

	2020	2019
	£	£
Royalties received	151,333	101,482
Estate income	20,304	90,082
	<hr/>	<hr/>
	171,637	191,564
	<hr/>	<hr/>

The company receives royalties in respect of rights to mine the land.

Notes (continued)
(forming part of the financial statements)

3 Operating profit

Operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of owned assets (note 7)	9,791	14,484

The 2020 audit fee has been borne by Sibelco UK Limited, another UK group company, as was the prior year (2019) fee.

4 Staff numbers, staff costs and director's remuneration

During the year the company employed 1 moor keeper and 1 assistant moor keeper (2019: 1 moor keeper and 1 assistant moor keeper), incurring wage and salary costs of £38,063 (2018: £31,462).

The Directors are Directors of other group companies. Their services to this Company are inconsequential hence no remuneration is attributable to this Company.

Notes (continued)
(forming part of the financial statements)

5 Financial expense

	2020 £	2019 £
Total interest expense on financial liabilities measured at amortised cost	8,101	11,752
	<u>8,101</u>	<u>11,752</u>

6 Taxation

	2020 £	2019 £
Recognised in the income statement		
Current tax charge on income for the year	-	11,828
Adjustment in respect of prior periods	(11,167)	(3,540)
Current tax expense	<u>(11,167)</u>	<u>8,288</u>
Deferred taxation expense current year	(129)	(2,017)
Adjustment in respect of prior periods	-	-
Deferred tax expense (see note 10)	<u>(129)</u>	<u>(2,017)</u>
Total tax in income statement	<u>(11,296)</u>	<u>6,271</u>
Reconciliation of effective tax rate		
Profit before taxation	(4,448)	54,274
Tax using UK corporation tax of 19.00% (2018: 19.00%)	(845)	10,312
Change in deferred taxation rate	-	157
Adjustments to tax charge in respect of previous periods	(11,167)	(3,540)
Change in unrecognised temporary difference	(129)	(678)
Other items	845	20
Total tax in income statement	<u>(11,296)</u>	<u>6,271</u>

The company has no tax losses available to carry forward against future trading or capital profits (2019: £nil).

Notes (continued)
(forming part of the financial statements)

7 Property, plant and equipment

	Freehold Land	Freehold Buildings	Plant and equipment	Total
	£	£		£
Cost				
At 1 January 2019	1,672,258	381,325	74,675	2,128,258
Additions	-	22,241	-	22,241
At 31 December 2019	1,672,258	403,566	74,675	2,150,499
At 1 January 2020	1,672,258	403,566	74,675	2,150,499
Additions	-	-	-	-
At 31 December 2020	1,672,258	403,566	74,675	2,150,499
Depreciation				
At 1 January 2019	-	308,161	55,400	363,561
Charge for year	-	5,788	8,696	14,484
At 31 December 2019	-	313,949	64,096	378,045
At 1 January 2020	-	313,949	64,096	378,045
Charge for year	-	7,587	2,204	9,791
At 31 December 2020	-	321,536	66,300	387,836
Net book value				
At 1 January 2019	1,672,258	73,164	19,275	1,764,697
At 31 December 2019 and 1 January 2020	1,672,258	89,617	10,579	1,772,454
At 31 December 2020	1,672,258	82,030	8,375	1,762,663

The rights to minerals are assigned to a third party on a long term lease.

8 Trade and other receivables

	2020	2019
	£	£
Trade receivables	45,743	54,610
Amounts due from fellow group undertakings	176,279	125,786
Prepayments and accrued income	-	20,173
	222,022	200,569

Trade receivables are non-interest bearing and are generally on terms of 30 days. There is no doubtful debt provision (2019: *£nil*).

Notes (continued)

(forming part of the financial statements)

9 Trade and other payables: amounts falling due within one year

	2020	2019
	£	£
Trade payables	9,489	-
Amounts owed to group undertakings	8,101	1,480
	<u>17,590</u>	<u>1,480</u>

Trade and other payables: amounts falling due after more than one year

	2020	2019
	£	£
Amounts due to fellow group undertakings	859,999	859,999
	<u>859,999</u>	<u>859,999</u>

The amounts owed to fellow group undertakings are unsecured. While the repayment is after one year, no specific repayment dates have been fixed. The parent company has confirmed that it will not seek repayment of this loan for 12 months from the reporting date. The loan incurs interest based on LIBOR 3 months + 0.55%.

10 Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2020	2019
	£	£
Property, plant and equipment	<u>4,429</u>	<u>4,300</u>

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 17% (2019: 17%).

Movement in deferred tax during the year:

	1 January 2020	Recognised in income	Recognised in equity	31 December 2020
	£	£	£	£
Property, plant and equipment	<u>4,300</u>	<u>129</u>	<u>-</u>	<u>4,429</u>

Movement in deferred tax during 2019:

	1 January 2018	Recognised in income	Recognised in equity	31 December 2018
	£	£	£	£
Property, plant and equipment	<u>2,283</u>	<u>2,017</u>	<u>-</u>	<u>4,300</u>

Notes (continued)

11 Financial instruments

The Company's financial assets and financial liabilities are set out below

	2020 £	2019 £
Financial assets		
Trade and other receivables (note 8)	222,022	180,396
	<u>222,022</u>	<u>180,396</u>
Financial liabilities		
Trade and other payables	17,590	1,480
Borrowings from fellow group undertakings (note 9)	859,999	859,999
	<u>877,589</u>	<u>861,479</u>

The fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Detailed cash flow forecasts are prepared on a monthly basis at a group level with the objective of alerting senior management to potential future risks.

At 31 December the Company was contractually obliged to make repayments as detailed below.

	Carrying amount £	Contractual cash flows £	Within one year or on demand £	1-2 years £	3-5 years £	More than 5 years £
2020						
Trade and other payables	17,590	17,590	17,590	-	-	-
Borrowings from fellow group undertakings	859,999	859,999	-	859,999	-	-
	<u>877,589</u>	<u>877,589</u>	<u>17,590</u>	<u>859,999</u>	<u>-</u>	<u>-</u>
2019						
Trade and other payables	1,480	1,480	1,480	-	-	-
Borrowings from fellow group undertakings	859,999	859,999	-	859,999	-	-
	<u>861,479</u>	<u>861,479</u>	<u>1,480</u>	<u>859,999</u>	<u>-</u>	<u>-</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. The trade receivables balance principally comprises a current account held on behalf of the company by its managing agent.

At the current and prior year ends, the company had no receivables past due (2019: £nil) and accordingly had not recognised an impairment for its receivables (2019: £nil).

Notes (continued)

11 Financial instruments (continued)

Market risk

Foreign currency

The company is not significantly exposed to foreign currency risk.

Interest rate risk management

Profile

The Company's only interest-bearing borrowing at the current and prior year ends is a £859,999 loan due to a fellow group undertaking, the interest of which is charged at LIBOR 3 months + 0.55%.

Sensitivity analysis

A change of 100 basis points in interest rates in the following financial year, based on the floating rate liabilities held at the reporting date will, before the impact of taxation, increase or decrease equity and profit or loss by £8,600 (2019: £8,600). This analysis assumes that all other variables remain constant.

Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt other than the interest bearing borrowings from another group undertaking as outlined above. Detailed cash flow forecasts are prepared at a group level on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

12 Share capital

	2020 £	2019 £
1,100,000 Ordinary shares of £1 each:		
Authorised, allotted, called up and fully paid – classified in equity	1,100,000	1,100,000

13 Reserves

	Profit and loss account £
At 1 January 2020	(7,312)
Total comprehensive income for the year	6,848
At 31 December 2020	(464)

Notes (continued)

14 Related party transactions

The following transactions were carried out with fellow Sibelco group undertakings:

	2020	2019
	£	£
Interest payable	8,101	11,752

The year-end balances with Sibelco group undertakings are as follows:

	2020	2019
	£	£
Amounts due from fellow subsidiaries	176,279	125,786
Loans due to fellow subsidiaries	(859,999)	(859,999)

15 Ultimate parent undertaking

The immediate and ultimate controlling party is S.C.R.-Sibelco N.V., a company incorporated in Belgium.

The smallest and largest group in which the results of the company are consolidated is that headed by this company. The consolidated accounts of the group are available to the public and may be obtained from Balanscentrale, at Nationale Bank van België, Balanscentrale, de Berlaimontlaan 14, 1000 Brussel.