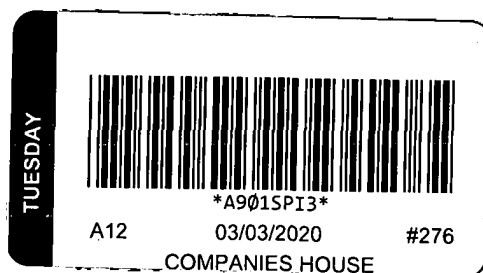


McBride Holdings Limited

Annual report and financial statements

Registered number 02805339

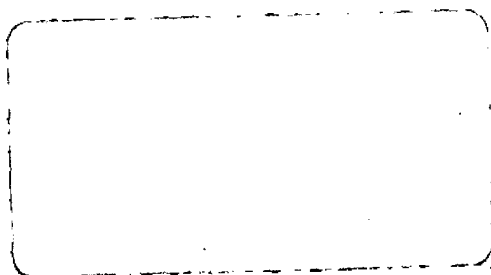
30 June 2019



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Strategic report

The Directors present their strategic report for the year ended 30 June 2019.

Review of the business

Performance overview

Revenue for the year is £13,217,000 (2018: £75,510,000) relating to dividends received from subsidiary undertakings. The foreign exchange impact on the retranslation of intercompany loans in the year is a foreign exchange loss of £1,679,000 (2018: loss £1,418,000).

Operating profit for the year is £11,538,000 compared to profit of £74,341,000 in 2018.

Net finance costs for the year are £2,160,000 (2018: £1,740,000).

Key Performance Indicators

As a holding company, key performance indicators are not deemed applicable in measuring the success of the company.

Balance sheet

Net assets at 30 June 2019 amounted to £65,694,000 (2018: £55,820,000).

Principal risks, financial risks and uncertainties

As part of our annual risk exercise, the Company has identified risks which are deemed 'principal' to its business due to their potential severity and link to its strategy and operations.

The current principal risks and uncertainties are shown in the table below, which also detail how the Company uses a range of risk mitigation strategies to manage any potential impact.

This is not intended to be an exhaustive list, with additional risks not presently known to management, or currently deemed to be less material, also having potential to cause an adverse impact on our business.

Strategic report (continued)

Principal risks, financial risks and uncertainties (continued)

Legislation Continuing high level of significant legislative and regulatory requirements, with greater impact on businesses from complex/diverse product ranges		
Impact	Mitigation	Key developments
<ul style="list-style-type: none"> The Company is subject to laws and regulations covering areas such as product safety, environment, labelling, health and safety, intellectual property, tax and financial accounting Rapidly changing laws and related interpretations, as well as increased enforcement actions, create challenges for the company and could limit the markets in which we can sell 	<ul style="list-style-type: none"> The Company is an active member of relevant trade associations and industry bodies, which allows for the monitoring of impending legislation. Where appropriate, the Company will input into government consultations which affect our products or industry Experienced cross-functional project teams, with dedicated resource, to ensure successful implementation whilst minimising cost and disruption to the Company and its customers 	<ul style="list-style-type: none"> During the last twelve months actions have been taken to strengthen the relevant teams and systems in this area
Financial risks Multinational operations expose business to a variety of financial risks		
Impact	Mitigation	Key developments
<ul style="list-style-type: none"> Risks associated with foreign currency exchange rates, interest rates, commodity prices, credit risks and taxation could impact profitability and cash flows Potential financial risks from the UK exiting the EU and associated political uncertainty has the potential to create a degree of unpredictability for short-term and medium-term economic forecasts, as well as a potential adverse impact on the Company's liquidity, funding, creditworthiness and share price valuation 	<ul style="list-style-type: none"> Strong and established financial framework monitoring and maintaining appropriate levels of liquidity and covenant commitments Robust framework established to ensure compliance with all international tax legislation, including publication of tax strategy Foreign exchange risk managed by hedging mitigating effects on UK import costs and translation of Euro profits 	<ul style="list-style-type: none"> Continued strong relationships with banking partners, with main company banking facilities refinanced in June 2017 and committed until 2022. This increases both certainty and flexibility whilst reducing costs for the company Cross-functional team actively monitors significant developments related to the UK's exit from the EU, enabling contingency modelling and planning for a full a range of scenarios

On behalf of the board



C I C Smith
Director
21st November 2019

Middleton Way
Middleton
Manchester

M24 4DP

Directors' report

The directors present their Directors' report and the audited financial statements ('Annual report') for the year ended 30 June 2019.

Business review and future developments

The principal activity of the Company is that of a holding company. The purpose of the Company is to hold the Group's investment in a number of the subsidiary companies.

The directors do not foresee any change in the Company's activities in the foreseeable future.

Principal risks and uncertainties

Principle risks and uncertainties have been outlined in the Strategic report.

Financial risk management

The main financial risks identified by the Company and the mitigation strategies adopted are covered in the Strategic report.

Result and dividend

Profit for the financial year was £9,886,000 (2018: profit of £74,391,000).

There was no dividend paid, or proposed to be paid, to the parent undertaking during the year (2018: £25,001,000).

Going concern

The Directors consider that as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to remain in operations for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Key performance indicators

As a holding company, key performance indicators are not deemed applicable in measuring the success of the company.

Political contributions

The Company made no political donations during the year (2018: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

C I C Smith
R J P D A de Vos (resigned 19 July 2019)
D T Rattigan (appointed 19 July 2019)

Indemnification of Directors

The Articles of Association provide for a Director to be indemnified out of the assets of the Company in respect of liabilities incurred as a result of his office provided judgement is ultimately given in his favour or if he is acquitted. In respect of those liabilities for which Directors may not be indemnified, the Company purchased and maintained a directors' and officers' liability insurance policy throughout the year and also at the date of approval of the financial statements.

Neither the Company's indemnity nor insurance provides cover in the event that the Director is proved to have acted fraudulently or dishonestly. No claims have been made either during the year or up to the date of approval of this Directors' Report.

Directors' report (*continued*)

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each 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 auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors are deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



C I C Smith
Director
21st November 2019

Middleton Way
Middleton
Manchester
England
M24 4DP

Independent auditors' report to the members of McBride Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, McBride Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of McBride Holdings Limited *(continued)*

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other reporting required

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of McBride Holdings Limited
(continued)



Graham Parsons (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

25th November 2019

Statement of comprehensive income
for the year ended 30 June 2019

	<i>Note</i>	2019 £000	2018 £000
Revenue	6	13,217	75,510
Administrative expenses		(1,679)	(1,169)
Operating profit	7	11,538	74,341
Interest receivable and similar income	8	856	477
Interest payable and similar expenses	8	(3,016)	(2,217)
Profit before taxation		9,378	72,601
Tax on profit	9	508	1,790
Profit for the financial year		9,886	74,391
Other comprehensive (expense) / income:			
Items that can be reclassified to profit or loss			
Recognition of financial instrument		(12)	14
Other comprehensive (expense) / income		(12)	14
Total comprehensive income for the year		9,874	74,405

Balance sheet

As at 30 June 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	10	185,927	185,927
Current assets			
Debtors	11	79,755	68,968
Cash at bank and in hand		-	36
		<u>79,755</u>	<u>69,004</u>
Creditors: amounts falling due within one year	12	(189,588)	(188,711)
		<u>(109,833)</u>	<u>(119,707)</u>
Net current liabilities			
Total assets less current liabilities		76,094	66,220
Creditors: amounts falling due after more than one year	13	(10,400)	(10,400)
Net assets		<u>65,694</u>	<u>55,820</u>
Capital and reserves			
Called up share capital	14	7,715	7,715
Revaluation reserve		(32,855)	(32,855)
Retained earnings		90,834	80,960
Total shareholders' funds		<u>65,694</u>	<u>55,820</u>

The financial statements on pages 8 to 18 were approved by the Board of Directors on 21st November 2019 and signed on its behalf by:



C I C Smith
Director
21st November 2019

(Registered Company Number 02805339)

Statement of changes in equity
for the year ended 30 June 2019

	Called up share capital	Revaluation Reserve	Retained earnings	Total shareholders' funds
	£000	£000	£000	£000
At 1 July 2017	7,715	(32,855)	31,556	6,416
Profit for the financial year	-	-	74,391	74,391
Other comprehensive income	-	-	14	14
Equity dividend	-	-	(25,001)	(25,001)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	-	49,404	49,404
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2018	7,715	(32,855)	80,960	55,820
Profit for the financial year	-	-	9,886	9,886
Other comprehensive expense	-	-	(12)	(12)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	-	9,874	9,874
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2019	7,715	(32,855)	90,834	65,694
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

1 General information

The principal activity of the Company is that of a holding company.

The Company retained and continues to hold its investment in McBride S.A.S, McBride spol. s.r.o., Robert McBride Ltd, Chemolux Germany GmbH, Chemolux S.a.r.l., McBride Australia Pty Limited, McBride CE Holdings Limited, McBride Hong Kong Holdings Limited, McBride Asia Holdings Limited, McBride Business Services Limited, Intersilesia McBride Polska Sp. Z.o.o and Danlind a/s.

The Company is a private company, limited by shares, incorporated and domiciled in the UK and registered in England and Wales. The address of its registered office is McBride Holdings Limited, Middleton Way, Middleton, Manchester, M24 4DP.

2 Significant accounting policies

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

These financial statements have been prepared under the going concern basis and historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through the profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework.

The Company was exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. The results of the Company are included in the consolidated financial statements of the immediate parent company, McBride plc, which is a Company registered in England and Wales. These consolidated financial statements can be obtained from the registered office at McBride plc, Middleton Way, Middleton, Manchester, M24 4DP.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

1. Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
2. IFRS 7, 'Financial Instruments: Disclosures'
3. Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
4. Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
5. The following paragraphs of IAS 1, 'Presentation of financial statements':
 - a. 10(d), (statement of cash flows)
 - b. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - c. 16 (statement of compliance with all IFRS),
 - d. 38A (requirement for minimum of two primary statements, including cash flow statements),
 - e. 38B-D (additional comparative information),
 - f. 40A-D (requirements for a third statement of financial position)
 - g. 111 (cash flow statement information), and
 - h. 134-136 (capital management disclosures)
6. IAS 7, 'Statement of cash flows'
7. Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
8. Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
9. The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements *(continued)*

2 Significant accounting policies *(continued)*

Standards, Amendments and Interpretations

The following new standards have become effective for the first time for the financial year beginning on or after 1 July 2018:

- IFRS 9 – ‘Financial Instruments’; and
- IFRS 15 – ‘Revenue from Contracts with Customers’

The application of IFRS 9 requirements has had no material impact on the company.

IFRS 15 has had no impact on the company.

The new standard IFRS 16 – ‘Leases’, which is effective for annual periods beginning after 1 July 2019 will have no impact on the company. The company has not opted for early adoption of this.

The principal accounting policies which have been applied consistently throughout the year are set out below:

Revenue

Revenue represents dividend distributions received from subsidiary investments. This amounts recognised is exclusive of VAT.

Foreign currencies

The Company’s financial statements are presented in Sterling which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded in the Company’s functional currency by applying rates of exchange ruling at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Investments

The Company has significant investments in trading subsidiaries. Investments in subsidiary undertakings are stated at cost less any applicable provision for impairment. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amounts.

Cash

Cash at bank and in hand includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. In the balance sheet, bank overdrafts are shown within current liabilities.

Going concern

The Directors consider that as at the date of approving the financial statements, there is a reasonable expectation that the Company, has adequate resources to remain in operations for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Interest

Interest receivable and payable, from both external parties and group undertakings, are recognised in the income statement in the same period to which they relate.

Trade debtors and other debtors

Trade debtors and other receivables are amounts due from group undertakings. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company has been assessed under IFRS 9, the expected credit loss model approach, with no material impact.

Notes to the financial statements *(continued)*

2 Significant accounting policies *(continued)*

Trade creditors and other creditors

Trade creditors and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all temporary differences which have arisen but not reversed by the balance sheet date, except as otherwise required by International Financial Reporting Standards.

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

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which they are declared and approved. Interim dividends are recognised in the period in which they are paid.

Financial Instruments

The Company enters into interest rate swap contracts to mitigate against the floating interest rates on revolving credit facility debt.

The Company also enters into net investment hedges, in order to hedge the currency exposure on the retranslation of the net investment in a foreign operation.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Carrying value of investments

The Company makes an estimate of the carrying value of investments held. When assessing the investment carrying value, management considers factors including the net asset values in each investment and discounted forecast future cash flows.

4 Auditors' remuneration

Auditors' remuneration including expenses of £20,000 (2018: £20,000) has been borne by the Company's ultimate parent company, McBride plc, for both the current and previous years.

5 Remuneration of directors

None of the directors received any emoluments during the year or the previous year as directors of McBride Holdings Limited.

Notes to the financial statements *(continued)*

6 Revenue

	2019 £000	2018 £000
Dividend received	13,217	75,510
	<u>13,217</u>	<u>75,510</u>

7 Operating profit

Operating profit is stated after charging / (crediting):

	2019 £000	2018 £000
Loss on retranslation of intercompany loans	1,679	1,418
Other (incomes) / expenses	-	(249)
	<u>-</u>	<u>(249)</u>

8 Interest receivable and similar income / interest payable and similar expenses

	2019 £000	2018 £000
Interest receivable from other group undertakings	856	477
Interest receivable and similar income	<u>856</u>	<u>477</u>
Interest payable to other group undertakings	(2,752)	(2,039)
Third party interest payable and similar charges	(264)	(178)
Interest payable and similar expenses	<u>(3,016)</u>	<u>(2,217)</u>

9 Tax on profit

UK corporation tax

	2019 £000	2018 £000
Current year tax credit	164	1,495
Adjustment in respect of prior years	344	295
	<u>508</u>	<u>1,790</u>

Factors affecting the tax credit for the current year

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK 19% (2018: 19%). The differences are explained below.

Notes to the financial statements (continued)

9 Tax on profit (continued)

Total tax reconciliation	2019 £000	2018 £000
Profit before taxation	9,378	72,601
Expected tax charge 19% (2018: 19%)	(1,782)	(13,794)
Effects of:		
Non-taxable income	2,511	14,347
Group relief	133	1,211
Adjustment in respect of prior years	344	295
Non-deductible expense	(318)	(269)
Tax losses for which no deferred tax recognised	(380)	-
Total tax credit	508	1,790

The main rate of corporation tax was reduced to 19% from 1 April 2017. Finance Act 2016, enacted on 15 September 2016, includes legislation to reduce the main rate of corporation tax to 17% with effect from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10 Investments

	2019 £000	2018 £000
At 1 July	185,927	175,510
Capital Investments	-	10,417
	185,927	185,927

The aggregate cost of investments for which their deemed cost is their previous carrying amount under UK GAAP is £161,885,000.

The historical value of investments held as at 30 June 2019 is shown as follows:

	£000
Danlind a/s	10,417
McBride S.A.S.	58,930
McBride spol. s.r.o.	3,988
Robert McBride Ltd	72,744
Chemolux S.a.r.l.	16,779
McBride Australia Pty Limited	66
Chemolux Germany GmbH	3,328
McBride CE Holdings Limited	16,450
McBride Hong Kong Holdings Limited	1,117
McBride Asia Holdings Limited	4,012
McBride Business Services Limited	2,000
Intersilesia McBride Polska Sp. Z.o.o.	13,637
	203,468

Notes to the financial statements (continued)

10 Investments (continued)

Proportion of subsidiaries owned by McBride Holdings Limited at 30 June 2019 is as follows:

Subsidiary companies	% holding (ordinary shares)	Country of Incorporation
Danlind a/s (i)	100.00%	Denmark
McBride S.A.S. (b)	100.00%	France
McBride spol. s.r.o. (c)	100.00%	Czech Republic
Chemolux S.a.r.l. (d)	100.00%	Luxembourg
Chemolux Germany GmbH (e)	100.00%	Germany
Robert McBride Ltd (a)	42.30%	United Kingdom
McBride CE Holdings Limited (a)	100.00%	United Kingdom
McBride Hong Kong Holdings Limited (f)	100.00%	Hong Kong
McBride Australia Pty Limited (g)	100.00%	Australia
McBride Asia Holdings Limited (f)	100.00%	Hong Kong
McBride Business Services Limited (a)	100.00%	United Kingdom
Intersilesia McBride Polska Sp. Z.o.o. (h)	100.00%	Poland

In the opinion of the Directors the value of shares in the Company's subsidiaries, is not less than the amount at which these are shown in the balance sheet.

Registered office addresses:

- (a) Middleton Way, Middleton, Manchester, M24 4DP
- (b) 109-111 Rue Victor Hugo, 92532 Levallois-Perret Cedex, France.
- (c) V Olšinách 75/2300, Prague 10 – Strašnice 10097, Czech Republic.
- (d) Rue de l'industrie, Foetz, Luxembourg 3895.
- (e) Heinrichstrasse 73, 40239 Düsseldorf, Germany.
- (f) Unit 6, 26th Floor, No. 1 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- (g) Level 4, 147 Collins Street, Melbourne, Victoria 3000.
- (h) Ul. Matejki 2a, 47100 Strzelce Opolskie, Poland.
- (i) Lægårdvej 90-94, 7500 Holstebro, Denmark.

11 Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings – Interest bearing	8,965	53,875
Amounts owed by group undertakings – Non Interest bearing	70,772	15,063
Financial instruments	17	30
	<hr/>	<hr/>
	79,754	68,968

All amounts (interest and non-interest bearing) owed by group undertakings are unsecured, have no fixed repayment date and are repayable on demand.

Amounts owed by group undertakings - interest bearing comprise a Euro denominated loan with GBP equivalent value at 2019 of £8,965,000 (2018: £8,861,000). The interest rate is based on 3 month Euribor at the start of each quarter but with a floor of 0% in line with the Group RCF facility, plus a margin of 1.4% again determined by the RCF definition of the margin to be charged on external loans.

The loan owed by the parent company of £55,139,000 (2018: £45,014,000), became non-interest bearing on the 30th June 2019, due to IFRS 9.

Notes to the financial statements *(continued)*

12 Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Bank loans and overdrafts	1,088	-
Amounts owed to parent company- Non interest bearing	182,963	989
Amounts owed to parent company – Interest bearing	-	182,184
Amounts owed to group undertakings- Non interest bearing	5,536	4,112
Amounts owed to group undertakings- Interest bearing	-	1,424
Financial instruments	1	2
	<u>189,588</u>	<u>188,711</u>

All amounts (interest and non - interest bearing) owed to group undertakings are unsecured, have no fixed repayment date and are repayable on demand.

The loan owed to the parent company of £182,070,000 (2018: £182,181,000), became non-interest bearing on the 30th June 2019, due to IFRS 9.

13 Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Bank loans and overdrafts	10,400	10,400
	<u>10,400</u>	<u>10,400</u>

14 Called up share capital

	2019	2018
	£000	£000
<i>Authorised</i>		
30 June 2018 and 30 June 2019 58,929,656 Ordinary shares of £0.64 each	37,715	37,715
	<u>37,715</u>	<u>37,715</u>
<i>Allotted, called up and fully paid</i>		
30 June 2018 and 30 June 2019 12,054,656 Ordinary shares of £0.64 each	7,715	7,715
	<u>7,715</u>	<u>7,715</u>

Notes to the financial statements *(continued)*

15 Dividends

	2019 £000	2018 £000
Equity – ordinary		
Final Paid (2019): 0p (2018: 207p)	-	25,001
	<hr/>	<hr/>
	-	25,001
	<hr/>	<hr/>

16 Employees

The Company has no employees (2018: none).

17 Ultimate parent company

The Company is a subsidiary undertaking of McBride plc, which is the ultimate parent company and controlling party and is incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by McBride plc. No other group financial statements include the results of the Company. The consolidated financial statements of McBride plc are available to the public and may be obtained from the registered office at McBride plc, Middleton Way, Middleton, Manchester, M24 4DP.