REGISTERED NUMBER: 03138417 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 December 2020

for

Pluss-Staufer Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 December 2020

Pluss-Staufer Limited

Company Information
for the Year Ended 31 December 2020

DIRECTORS:	R I Abdul W I Cardew
REGISTERED OFFICE:	Melton Office Melton Bottom Melton North Ferriby East Riding of Yorkshire HU14 3HU
REGISTERED NUMBER:	03138417 (England and Wales)
AUDITOR:	KPMG LLP One Snowhill Snow Hill Queensway Birmingham West Midlands B4 6GH
SOLICITOR:	Geldards LLP Number One Pride Park Place Pride Park Derby DE24 8QR

Pluss-Staufer Limited (Registered number: 03138417)

Group Strategic Report
for the Year Ended 31 December 2020

The directors present their strategic report of the Company and the Group for the year ended 31 December 2020.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the Group during the year were the manufacture of chemicals and the quarrying, processing and distribution of calcium carbonate and other raw materials for supply to the chemical, plastics, paint, rubber, paper, ink, foodstuffs, building products, pharmaceutical and allied industries.

The results for the year are shown on page 15 of the annual report and financial statements.

The directors do not recommend the payment of a dividend for the year on the ordinary shares (2019 - £nil).

The 2020 business environment continued to be challenging across all segments in particular Printing and Writing.

During the year, the Company announced the closure of its Steeple Morden plant. Assets have been impaired for the value of £4,033,000. Provisions were made for the impairment of two other sites totalling £1,104,500 and restructuring costs of £568,500. These are related to a change in business conditions and the immediate effect of COVID 19.

A 10.1% reduction in revenue was experienced versus 2019. Operating costs were reduced where possible to mitigate the effect on gross margin. Gross margin increased from 8.22% in 2019 to 10.85% in 2020.

Competition remains strong, however with tight cost control and a selective investment programme the Group remains in a positive position going forward.

BREXIT has had low impact on the 2020 accounts. Although there is some uncertainty surrounding business in the UK, the Directors and senior management are continually assessing the risks and opportunities and acting accordingly. As the majority of customers are UK based, the main risk comes from the importation of goods. In preparation for 2021, systems have been put in place to deal with additional administrative tasks, supplier contracts and relationships have been reviewed and renegotiated where needed and customers have been kept up to date with any future impacts on the delivery of goods.

The COVID-19 pandemic has had a significant impact, not only on public health but also on the global economy. Management have put strategies in place to weather both the pandemic and the economic downturn. In 2020 the Group has experienced reduced revenue as a result of falling demand in the marketplace. The Group has maintained production throughout and has utilised Government support measures and initiatives where available. The trustees of the defined benefit pension scheme are closely monitoring the funding position and investment strategy with advice given by the scheme advisors, Mercer. Through a coordinated plan to manage working capital, reduce expenditure and ration capital expenditure, the impact has been managed with a target to recover in 2021.

ANALYSIS OF DEVELOPMENT AND PERFORMANCE

The Group results for 2020 are shown below and it is well positioned to develop its strategies and goals going forward.

During the year, the Group recorded a pre-tax loss of £9,048,000 (2019: £4,588,000).

The Key Performance Indicators (KPI's) are shown below:

Year	**2020**	**2019**
	£'000	**£'000**
Turnover	102,194	113,716
EBITDA	4,411	3,357
Net debt	56,063	63,366
Shareholders' funds	(8,466)	4,571

EBITDA is calculated as earnings before interest, taxation, depreciation, amortisation, impairment and related party debt. Net debt is calculated as the cash balances less group loans and overdrafts.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group continually reviews and monitors all aspects of the business, incorporating Health, Safety and Environmental, with a substantial number of the plants achieving ISO 9001, ISO 14001 and OHSAS 18001.

All businesses face risks and these are reviewed thoroughly and regularly by the board as part of its ongoing corporate governance procedures.

The cost of energy related products are constantly monitored and with a combination of energy contract management and efficiencies achieved on usage the increases in energy and related costs have been minimised.

Raw material prices influenced by commodity cost shifts are monitored and managed, which together with selling price increases have protected margins.

FINANCIAL RISK

All treasury activities are focused on the management and hedging of risk. It is the Group's policy not to trade financial instruments or to engage in speculative financial transactions. There have been no significant changes in the Group's policies in the last year.

In addition to the above, the Group is exposed to various specific risks in connection with its financial operations and results, these include the following:

- The impact of movement in equity markets, interest rates and life expectancy on net pension liability.
- Maintenance of the Group's cash flows at an appropriate level and the exposure of debt and cash positions to changes in interest rates.
- The potential impact of changes in currency exchange rates on the Group's earnings and on the translation of its underlying net assets.

All of the above exposures are managed by the finance function which operates within written policies approved by the board and within the internal control framework of the Group.

The Group's principal financial assets are bank balances and cash, trade and other receivables which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's credit risk is primarily attributable to its trade receivables.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury function maintains flexibility in funding by maintaining availability under committed credit lines.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group is exposed to commodity price risk as a result of its operations. The Group mitigates this risk by maintaining strong relationships with key suppliers.

The Group's interest rate risk arises from long term borrowings. This Group is funded substantially by a LIBOR linked interest bearing loan from the ultimate parent Company.

Risks and uncertainties associated with foreign exchange are managed on a group basis. Risks associated with the pension scheme for the Group are managed by directors and risks associated with the pension scheme for the members are managed by the Trustees of the scheme.

OTHER RISKS
The Group is exposed to varying degrees of risk and uncertainty related to other factors including competitive pricing, consumption levels, legislative, fiscal, tax and regulatory developments, political and social conditions in the environments where we operate. All of these risks could materially affect the Group's business, our turnover, operating profit, net profit, net assets and liquidity.

There may be risks which are unknown to the Group or which are currently believed to be immaterial.

SECTION 172(1) STATEMENT
STATEMENT BY THE DIRECTORS RELATING TO THEIR STATUTORY DUTIES UNDER SECTION 172(1) OF THE COMPANIES ACT 2006

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

Section 172 factor	Example
Consequences of any decision in the long term	Forecasting medium/long term cashflow approved by the board. Strategic objective and planning including M&A possibilities. Capital investment to ensure long term success.
Interests of employees	Employees are key to success. Welfare, health and safety of employees is our No. 1 priority. Annual appraisal is carried out for all employees, including target setting, 360° feedback and training plans. We ensure equal opportunities for all employees.
Fostering business relationships with suppliers, customers and others	Customers are at the centre of our business. Technical sales teams ensure we deliver what our customers want. We are fair and transparent with our dealings with suppliers. Our business partners are risk assessed to protect company assets.
Impact of the Company's operations on the community and the environment	Sustainability is key to the future of our business and industry. We endeavour to limit the impact on the environment and protect communities in which we operate.
Maintaining a reputation for high standards of business conduct	Recognition through ISO 9001, ISO 14001 and ISO 45001 accreditation. Continuous development of employees at the Omya Academy and online "Skillport".
Act fairly between members of the Company	Corporate identity embodied in its core values Modesty, Courtesy, Integrity and Perseverance.

SECTION 172(1) STATEMENT
STATEMENT BY THE DIRECTORS RELATING TO THEIR STATUTORY DUTIES UNDER SECTION 172(1) OF THE COMPANIES ACT 2006 - continued

The Directors' regard to these matters is embedded in their decision-making process, through the Group's business strategy, culture, governance, management information flows and stakeholder engagement processes.

The Group's business strategy is focused on achieving success for the Group in the long-term. In setting this strategy, the Board takes into account the impact of relevant factors and stakeholder interests on the Group's performance. The Board also identifies principal risks facing the business and aims to manage identified risks.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Group's employees and embedded in the Group's policies and procedures, employee induction and training programmes and its risk control.

The Board recognises that building strong and lasting relationships with stakeholders will help to deliver strategic objectives in line with long-term values and operate sustainably.

ON BEHALF OF THE BOARD:

Ryaan Abdul

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R I Abdul - Director

Date: 26 August 2021

Pluss-Staufer Limited (Registered number: 03138417)

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2020.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2020 (2019: £nil).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R I Abdul
W I Cardew

The directors holding office at 31 December 2020 did not hold any beneficial interest in the issued share capital of the Company, or any other UK group Company, at 1 January 2020 (or date of appointment if later) or 31 December 2020.

CHARITABLE AND POLITICAL CONTRIBUTIONS
Donations to local charities amounted to £3,990 (2019: £7,200) and donations to national charities was nil (2019: nil).
No contributions were made for political purposes (2019: £nil).

STATEMENT ON INTERNAL CONTROLS
The directors acknowledge their ultimate responsibility for ensuring that the Group has in place a system of controls, financial and otherwise, that is appropriate to the business environments in which it operates.

These are designed to give reasonable assurance with respect to:-

- the reliability of financial information used within the business or for publication, and the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition; and
- the business being operated efficiently and effectively

The Group operates within a control framework developed and refined over a number of years and communicated throughout the Group by means of procedures. These lay down common accounting policies and financial control procedures, in addition to controls of a more operational nature.

Of particular importance are those that relate to:

- the definition of the organisation structure and the appropriate delegation of responsibility to operational management;
- the definition of authorisation limits, financial and otherwise;
- the setting of detailed annual budgets, rolling forecasts and the monthly reporting of actual results against them;
- capital expenditure and investment procedures; and
- physical and computer security matters and contingency planning.

HEALTH AND SAFETY AND ENVIRONMENTAL POLICIES
As the Group is not only conscious of the need to protect the environment but also recognises its responsibility to the communities in which it operates, it endeavours to conduct its operations so as to minimise all possible hazards. Risk Management (covering all such policies) is included on all meeting agendas (including Board Meetings) to ensure that the Group complies with the provisions of all relevant legislation and the Group's own policies and is committed to ensure that training is carried out in safe working practices throughout all departments and locations within the Group.

FIXED ASSETS
Changes in fixed assets are shown in note 10 of the financial statements.

MARKET VALUES OF INTERESTS IN LAND AND BUILDINGS
In the opinion of the directors the current open market values of the Group's freehold and leasehold interests in land and the buildings thereon, on an existing use basis, substantially exceed the amount at which they are included in the financial statements at 31st December 2020. The directors have not attempted to quantify the difference, as in their opinion no useful purpose would be served by this exercise. These assets are used exclusively for the conduct of the Group's main business.

SUPPLIER PAYMENT POLICY
It is Group policy to pay its suppliers promptly. Accordingly, approved invoices from suppliers are paid in accordance with agreed credit terms.

RESEARCH AND DEVELOPMENT
The Group invests in research and development to ensure that the range and quality of its products are continually up to date. The improvement of existing products and processes and the identification and development of new technologies are key aspects of the Group's strategy.

EMPLOYEES
The directors recognise the considerable benefits which accrue from informing employees of the activities of the Group and its progress and performance. To supplement normal communications within the organisation, quarterly updates are held.

The welfare, health and safety of employees are given special attention. It is the policy of the Group to treat all employees and potential employees equally and to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position, all necessary assistance with initial training is given. Where employees become disabled, the Group endeavours to continue to employ them provided there are duties they can perform given their disability.

The directors recognise the importance of training and education of all Group employees.

DIRECTORS' INDEMNITIES
The Group maintains liability insurance for its directors and officers. Following shareholder approval, the Group has also provided an indemnity for its directors, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements.

PENSION SCHEME
The assets of the Group's Pension Scheme are held completely separate from those of the Group and the funds of the Scheme, which are administered by Trustees, are invested principally with Mercer Limited. There are no loans between the Scheme and the Group.

The Defined Benefit Scheme was closed to future accrual in May 2009.

All employees, including directors, eligible for pension scheme benefits, may participate in a Stakeholder Scheme.

GOING CONCERN

With net current assets of £3,588,000 as at 31 December 2020, a loss for the year then ended of £9,048,000 and operating cash inflows for the year of £10,231,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its overdraft facility to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Omya AG not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £10,936,000 and providing additional financial support during that period. Omya AG has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Pluss-Staufer Limited (Registered number: 03138417)

Report of the Directors
for the Year Ended 31 December 2020

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Summary

The Group's greenhouse gas emissions, reportable under SECR for the period 1st January 2020 to 31st December 2020 were 23,071 tonnes CO2e. These include the emissions associated with UK electricity and natural gas consumption, and business travel in company vehicles by employees. In accordance with the legislation, an intensity ratio has been calculated of 23.24 kg of CO2e per tonne throughput.

Greenhouse gas emissions

Figure 1 Greenhouse gas emissions by year (tonnes CO2e)

Emissions source	2020 (tCO_2e)	% Share
Fuel combustion: Stationary[2]	10,782	46.7%
Fuel combustion: Transport[1]	252	1.1%
Purchased electricity	12,037	52.2%
Total emissions (tCO_2e)	23,071	
Production (tonne)	992,838	
Intensity: ($kgCO_2e$ per Production)	23.24	

Note 1: Road transport data is obtained from 2019 figures as 2020 data was not available at time of report compilation.
Note 2: Stationary fuels include Natural Gas, LPG and Gas Oil that is used on site.

We have invested in the procurement of zero-carbon electricity for many sites. However, it was decided for transparency not to reflect this in our carbon footprint. Therefore, the carbon figures from electricity were calculated using the standard national figures for the carbon intensity of UK grid electricity.

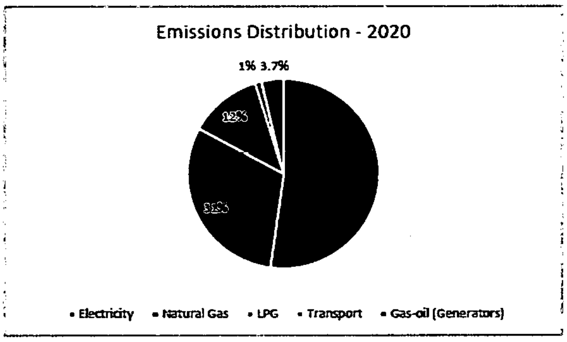

Figure 2 Greenhouse gas emissions by scope (tonnes CO2e)

Emissions source	2020 (tCO_2e)	% Share
Scope 1	11,034	47.8%
Scope 2	11,084	48.0%
Scope 3	953	4.1%
Total emissions (tCO_2e)	23,071	

Scope 1: Natural gas, LPG and Gas Oil consumed on site and company-operated transport.
Scope 2: Electricity.
Scope 3: Losses from electricity distribution and transmission. This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the Group.

Pluss-Staufer Limited (Registered number: 03138417)

Report of the Directors
for the Year Ended 31 December 2020

STREAMLINED ENERGY AND CARBON REPORTING (SECR) - continued

Energy consumption
Figure 3 Energy consumption by year (kWh)

Emissions source	kWh	Share %
Natural gas for heating	38,541,458	37.1%
Electricity	47,541,218	45.7%
Transport fuel	1,017,531	1.2%
Gas Oil	3,307,640	3.2%
LPG	13,288,632	12.8%
Total	103,696,479	

Boundary, methodology and exclusions
An 'operational control' approach has been used to define the Greenhouse Gas emissions boundary; this includes all sites where the Group have authority to introduce and implement operating policies, and therefore excludes our network and investment properties. This approach captures emissions associated with the operation of buildings, plus company-owned and grey fleet transport. This report covers UK operations only, as required by SECR for Non-Quoted Large Companies. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019.

Fuel, energy and emissions have been calculated using the latest conversion factors from UK Government. 5% of electricity and gas consumption has been estimated due to gaps in data availability. There are no material omissions from the mandatory reporting scope. Road transport data is obtained from 2019 figures as 2020 data was not available at time of report compilation.

Energy efficiency initiatives
The Group have proactively taken steps to improve its sustainability, with initiatives progressed during 2020 including:

- Replacement of discharge lighting with more efficient LED fittings with the addition of better controls
- Improvements to power quality with better power factor correction controls
- Improved data gathering with the addition of sub-metering
- Optimisation of Processes with reductions in operating temperatures

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a directors in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

AUDITORS
The auditor KPMG LLP has indicated their willingness to continue in office. Pursuant to Section 487 (2) of the Companies Act 2006, the members have dispensed with the obligation to appoint auditors annually and KPMG LLP shall be deemed to be re-appointed each year.

BY ORDER OF THE BOARD:

....
R I Abdul - Director
Melton Office
Melton Bottom
Melton
North Ferriby
East Riding of Yorkshire
HU14 3HU

Date: 26 August 2021

Statement of Directors' Responsibilities
for the Year Ended 31 December 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Pluss-Staufer Limited

Opinion

We have audited the financial statements of Pluss-Staufer ("the company") for the year ended 31 December 2020 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Reading board meeting minutes.
- Considering bonus schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.
- We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Members of Pluss-Staufer Limited - continued

Fraud and breaches of laws and regulations - ability to detect - continued

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue from sale of goods to customers are recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as pension assumptions.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected revenue account combinations and journals posted to seldom used accounts during the financial year.
- Testing a sample of pre and post year end revenue transactions to assess whether revenue had been recorded in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation , and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Independent Auditor's Report to the Members of Pluss-Staufer Limited - continued

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stuart Wood (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 26/8/21

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2020

	Notes	2020 £'000	2019 £'000
CONTINUING OPERATIONS			
Revenue	2	**102,194**	113,716
Cost of sales		**(91,103)**	(104,364)
GROSS PROFIT		**11,091**	9,352
Other operating income	3	**3,275**	2,649
Administrative expenses		**(19,728)**	(14,325)
Restructuring expense		**(1,673)**	-
OPERATING LOSS		**(7,035)**	(2,324)
Finance costs	5	**(2,019)**	(2,270)
Finance income	5	**6**	6
LOSS BEFORE INCOME TAX	6	**(9,048)**	(4,588)
Income tax	7	**(2,030)**	600
LOSS FOR THE YEAR		**(11,078)**	(3,988)
OTHER COMPREHENSIVE EXPENSE			
Items that will not be reclassified to profit or loss:			
Actuarial losses		**(2,483)**	(729)
Income tax relating to items that will not be reclassified to profit or loss		**524**	125
		(1,959)	(604)
Items that may be reclassified subsequently to profit or loss:			
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-
		-	-
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF INCOME TAX		**(1,959)**	(604)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(13,037)**	(4,592)

The notes form part of these financial statements

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Loss attributable to:			
Owners of the parent		**(11,078)**	(3,988)
Total comprehensive expense attributable to:			
Owners of the parent		**(13,037)**	(4,592)

The notes form part of these financial statements

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Financial Position
31 December 2020

	Notes	**2020** **£'000**	2019 £'000
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	9	**6,855**	10,540
Property, plant and equipment	10	**51,495**	55,290
Right-of-use			
Property, plant and equipment	10, 19	**7,046**	3,736
Deferred tax	21	**-**	1,506
		65,396	71,072
CURRENT ASSETS			
Inventories	12	**11,978**	13,226
Trade and other receivables	13	**20,218**	23,693
Cash and cash equivalents	14	**2,580**	2,689
		34,776	39,608
TOTAL ASSETS		**100,172**	110,680
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	**25,000**	25,000
Share premium	16	**7,010**	7,010
Capital reserve	16	**4,756**	4,756
Mineral reserve	16	**4,463**	4,498
Retained earnings	16	**(49,695)**	(36,693)
TOTAL EQUITY		**(8,466)**	4,571

The notes form part of these financial statements

continued...

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Financial Position - continued
31 December 2020

	Notes	2020 £'000	2019 £'000
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	17	5	5
Other financial liabilities			
Interest bearing loans and borrowings	18	58,643	54,985
Pension liability	22	14,802	15,003
Provisions	20	4,000	5,918
		77,450	75,911
CURRENT LIABILITIES			
Trade and other payables	17	17,470	15,091
Other financial liabilities			
Interest bearing loans and borrowings	18	11,503	14,909
Tax payable		42	60
Provisions	20	2,173	138
		31,188	30,198
TOTAL LIABILITIES		108,638	106,109
TOTAL EQUITY AND LIABILITIES		100,172	110,680

The financial statements were approved by the Board of Directors and authorised for issue on 26 August 2021 and were signed on its behalf by:

Ryaan Abdul.
....
R I Abdul - Director

The notes form part of these financial statements

Pluss-Staufer Limited (Registered number: 03138417)

Company Statement of Financial Position
31 December 2020

	Notes	2020 £'000	2019 £'000
ASSETS			
NON-CURRENT ASSETS			
Investments	11	29,346	29,346
		29,346	29,346
CURRENT ASSETS			
Trade and other receivables	13	3,000	3,000
TOTAL ASSETS		32,346	32,346
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	25,000	25,000
Mineral reserve	16	4,346	4,346
Retained earnings	16	(7,936)	(7,936)
TOTAL EQUITY		21,410	21,410
LIABILITIES			
CURRENT LIABILITIES			
Bank overdrafts and loans			
Interest bearing loans and borrowings	18	10,936	10,936
TOTAL LIABILITIES		10,936	10,936
TOTAL EQUITY AND LIABILITIES		32,346	32,346

The financial statements were approved by the Board of Directors and authorised for issue on 26 August 2021 and were signed on its behalf by:

Ayaan Abdul

....

R I Abdul - Director

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 January 2019	25,000	(32,141)	7,010
Changes in equity			
Deficit for the year	-	(3,988)	-
Other comprehensive expense	-	(604)	-
Total comprehensive expense	-	(4,592)	-
Amortisation transfer	-	40	-
Balance at 31 December 2019	25,000	(36,693)	7,010
Changes in equity			
Deficit for the year	-	(11,078)	-
Other comprehensive expense	-	(1,959)	-
Total comprehensive expense	-	(13,037)	-
Amortisation transfer	-	35	-
Balance at 31 December 2020	25,000	(49,695)	7,010

	Capital reserve £'000	Mineral reserve £'000	Total equity £'000
Balance at 1 January 2019	410	4,538	4,817
Changes in equity			
Deficit for the year	-	-	(3,988)
Other comprehensive expense	-	-	(604)
Total comprehensive expense	-	-	(4,592)
Transactions with shareholders	4,346	-	4,346
Amortisation transfer	-	(40)	-
Balance at 31 December 2019	4,756	4,498	4,571
Changes in equity			
Deficit for the year	-	-	(11,078)
Other comprehensive expense	-	-	(1,959)
Total comprehensive expense	-	-	(13,037)
Amortisation transfer	-	(35)	-
Balance at 31 December 2020	4,756	4,463	(8,466)

The notes form part of these financial statements

Pluss-Staufer Limited (Registered number: 03138417)

Company Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Mineral reserve £'000	Total equity £'000
Balance at 1 January 2019	25,000	(7,936)	-	17,064
Changes in equity				
Transaction with shareholders	-	-	4,346	4,346
Balance at 31 December 2019	25,000	(7,936)	4,346	21,410
Changes in equity				
Total comprehensive income	-	-	-	-
Balance at 31 December 2020	25,000	(7,936)	4,346	21,410

The notes form part of these financial statements

Pluss-Staufer Limited (Registered number: 03138417)

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations	25	**10,660**	(3,507)
Finance costs paid		**(270)**	(428)
Provisions		**(141)**	(95)
Tax paid		**(18)**	-
Net cash from/(used) in operating activities		**10,231**	(4,030)
Cash flows from investing activities			
Purchase of goodwill		-	(1)
Purchase of intangible fixed assets		**(21)**	-
Purchase of tangible fixed assets		**(4,496)**	(5,340)
Acquisition of subsidiary		-	(4,346)
Sale of intangible fixed assets		**1**	-
Sale of tangible fixed assets		**14**	189
Interest received		**6**	6
Net cash (used) in investing activities		**(4,496)**	(9,492)
Cash flows from financing activities			
Interest paid		**(1,704)**	(1,807)
Group loans (repaid)/received		**(3,158)**	12,631
Capital contribution on investment		-	4,346
Payment of lease liabilities		**(982)**	(968)
Net cash (used) in/from financing activities		**(5,844)**	14,202
(Decrease)/increase in cash and cash equivalents		**(109)**	680
Cash and cash equivalents at beginning of year	26	**2,689**	884
Cash acquired at acquisition		-	1,125
Cash and cash equivalents at end of year	26	**2,580**	2,689

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information
Pluss-Staufer Limited is a private company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given in the company information.

Its immediate parent company is Omya AG, a company incorporated in Switzerland.

The principal activities of the Group during the year were the manufacture of chemicals and the quarrying, processing and distribution of calcium carbonate and other raw materials for supply to the chemical, plastics, paint, rubber, paper, ink, foodstuffs, building products, pharmaceutical and allied industries.

Summary of significant accounting policies
These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain property, plant and equipment and in accordance with the Companies Act 2006 and applicable accounting standards.

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

Basis of preparation
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment and financial instruments at fair value through the statement of comprehensive income.

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

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Application of new and revised international financial reporting standards
The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presents in these financial statements.

The following amended standards became effective from 1 January 2020 and were adopted by the Group:
- Amendments to IAS 1 and IAS 8: Definition of Material (effective date 1 January 2020)
- Amendments to IFRS 3 Business Combinations (effective date 1 January 2020)
- Amendment to IFRS 16 Leases COVID 19 Related Rent Concessions (effective date 1 June 2020)

continued...

1. **ACCOUNTING POLICIES – continued**

The adoption of these amendments is detailed below and did not have a significant impact on the financial statements of the Group for the year ended 31 December 2020.

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2020 and have not been applied in these financial statements.

- Amendments to IFRS Insurance contracts (effective date 1 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform (effective date 1 January 2021)

The Group is currently assessing the impact of these pronouncements and will plan to adopt them as required when they become effective.

Going concern
With net current assets of £3,588,000 as at 31 December 2020, a loss for the year then ended of £9,048,000 and operating cash inflows for the year of £10,231,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its overdraft facility to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Omya AG not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £10,936,000 and providing additional financial support during that period. Omya AG has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business, net of discounts, VAT and other sales related taxes. Under IFRS 15 the Company has adopted the cumulative effect method and has elected to adopt the practical expedient. Incremental costs of obtaining sales contracts are expensed as the associated amortisation period is 12 months or less. Sales are supported by a sales contract or by a sales offer and sales order. Revenue is recognised when goods are dispatched.

Interest
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

continued...

1. **ACCOUNTING POLICIES - continued**

Dividend Income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts.

Business combinations
For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- The fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Lease acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.
Lease liability and associated right-of-use assets acquired in a business combination for which the lease term ends within 12 months of the acquisition date or, leases for which the underlying asset value is low, are not recognised.

continued...

1. **ACCOUNTING POLICIES - continued**

Intangible assets
Amortisation is charged on intangible assets from the date that they are available for use. The estimated useful lives of indemnified intangible assets are as follows:

- Customer lists - 3 years
- Software - 5 years

Impairment of tangible and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

continued...

1. ACCOUNTING POLICIES - continued

Property, plant and equipment

Non mineral bearing land and buildings are stated at cost less accumulated depreciation and any recognised impairment loss.

The Group has elected to use the revaluation of mineral bearing land before the date of transition to IFRSs as deemed cost at the date of the transition.

Land includes incidental costs (including stripping costs and planning applications) that are capitalised and depreciated in line with IAS 16.

Assets in the course of construction for production, rental or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment, furniture and fittings and motor vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction down to their residual value, over their estimated useful lives, using the straight-line method, on the following bases:

- Freehold buildings - 5% per annum
- Leasehold premises - over the remaining period of the lease
- Plant and equipment - 5- 33.33% per annum
- Furniture and fittings - 10-15% per annum
- Motor vehicles - 20-25% per annum

Mineral bearing land is depreciated using the Depletion Method. Minerals are depreciated by the proportion that the resources extracted in a period correspond to the total resource.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises raw materials, direct labour, and other direct costs and related production overheads (based on normal operating capacity) that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

continued...

1. **ACCOUNTING POLICIES - continued**

Current and deferred income tax
The current tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date and is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the taxbases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Research and development
Research expenditure is written off as incurred.

Development expenditure is also written off, except where the Directors are satisfied that a new or significantly improved product or process results and other relevant IAS 38 criteria are met as to the technical, commercial and financial viability of individual projects that would allow such costs to be capitalised. In such cases, the identifiable expenditure is capitalised and amortised over the period during which benefits are expected.

Foreign currencies
The financial statements are presented in Pounds Sterling which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

continued...

1. **ACCOUNTING POLICIES - continued**

Leases
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortised cost using the effect interest rate method. It is remeasured where there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IAS 17
In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make.
Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.
Assets held under other leases were classified as operating leases and were not recognised in the Company's financial statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

continued...

1. ACCOUNTING POLICIES - continued

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Government grants
Government grants relating to property, plant and equipment are treated as deferred income and released to profit and loss over the expected useful lives of the assets concerned.

Trade receivables
Trade receivables are recognised initially at fair value and are held at fair value less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the statement of comprehensive income.

Investments
Fixed asset investments are stated at cost unless in the opinion of the directors there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Financial liabilities
Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost unless they are part of a fair value hedge accounting relationship; any difference between the amount on initial recognition and the redemption value is recognised in the statement of comprehensive income over the period of the financial liabilities using the effective interest method. Those financial liabilities that are part of a fair value hedge accounting relationship are also recorded on an amortised cost basis, plus or minus the fair value attributable to the risk being hedged with a corresponding entry in the income statement.

continued...

1. **ACCOUNTING POLICIES - continued**

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

Provisions
Provisions for environmental restoration and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money. The increase in the provision due to passage of time is recognised as an interest expense.

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

Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Group's equity share capital (treasury shares), the consideration paid, including and directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

Life assurance costs
The cost of providing employee life assurance is accounted for in the period in which the cost is incurred by the provider.

The cost of employee life assurance benefits is recognised in the period in which the service is rendered and is not discounted.

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 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.

Employee benefits
Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods in which services are rendered by employees.

continued...

1. **ACCOUNTING POLICIES – continued**

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amounts of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changes, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in the future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

continued...

1. **ACCOUNTING POLICIES - continued**

Impairment review
The Group assesses at each reporting date whether an asset may be impaired. If any such indicator exists the Group tests for impairment by estimating the recoverable amount. If the recoverable amount is less that the carrying value an impairment loss is recognised. The main estimates and judgements taken by management relate to the forecasting of future cashflows and the discount rate used to estimate the present value of cash flows to be generated by the asset under review. The Group determines the appropriate discount rate at the time based on the weighted average cost of capital of the Group.

Company accounting policies
The Group financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The individual Company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

The Company is exempted by s408 of the Companies Act (2006) from disclosing its statement of comprehensive income, the result for the year is £nil (2019: £nil).

The Company has not presented a cash flow statement as no cash and cash equivalents are held by the Company and there have been no movements in cash and cash equivalents during the year.

Fixed asset investments are stated at cost unless in the opinion of the directors there has been a permanent diminution in value, in which case an appropriate adjustment is made.

2. **REVENUE**

Segmental reporting
An analysis of the Group's revenue is as follows

	2020	2019
	£'000	£'000
Sale of goods	**102,194**	113,716

3. **OTHER OPERATING INCOME**

	2020	2019
	£'000	£'000
Rental income	**-**	108
Other group related income	**3,275**	2,541
	3,275	2,649

4. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£'000	£'000
Wages and salaries	**12,631**	12,920

continued...

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2020	2019
Production	**164**	171
Sales and logistics	**44**	44
Administration	**11**	12
	219	227

Their aggregate remuneration comprised

	2020	2019
	£'000	£'000
Wages and salaries	**9,674**	9,931
Social security costs	**1,110**	1,013
Other costs	**674**	674
Life assurance	**120**	113
Other pension costs	**1,053**	1,189
	12,631	12,920

Remuneration of Key Management Personnel

The remuneration of the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Key Management Personnel is defined as the directors of the Group.

	2020	2019
	£'000	£'000
Short-term employee benefits	**435**	427
Post-employment benefits	**32**	31
	467	458

Included in the above figures are directors' emoluments of £467,000 (2019: £458,000). The number of directors accruing benefits under defined benefit pensions schemes are 2 (2019: 2). The emoluments of the highest paid director are £320,000 (2019: £314,000). The pension contributions of the highest paid director are £22,000 (2019: £21,000). The accrued pension for the highest paid director at 31 December 2020 was £24,000 (2019: £23,000) per annum.

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5. NET FINANCE COSTS

Finance costs	**2020**	2019
	£'000	£'000
Interest on bank overdrafts	**10**	53
Interest on group loans	**1,544**	1,625
Unwinding of discounts in provisions	**45**	35
Net interest on defined benefit plans	**270**	428
Interest Expenditure	**150**	129
	2,019	2,270

Finance Income	**2020**	2019
	£'000	£'000
Deposit account interest	**6**	6
	6	6

6. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Cost of inventories recognised as expense	**51,293**	63,570
Depreciation - owned assets	**4,247**	4,146
Depreciation – right of use assets	**1,082**	1,071
Profit on disposal of fixed assets	**(6)**	(28)
Customer relationships amortisation	**2,064**	284
Software amortisation	**18**	22
Software amortisation	**62**	36
Software amortisation	**10**	10
Foreign exchange differences	**(169)**	17
Impairment of property, plant and equipment	**4,035**	158
Impairment of intangibles	**1,623**	-

The auditor's remuneration for audit services includes an amount of £4,000 (2019: £4,000) for the audit of the holding company Pluss Staufer Limited.

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7. INCOME TAX

Analysis of tax expense/(income)

	2020 £'000	2019 £'000
De-recognition/(recognition) of tax losses	**2,030**	(600)
Total tax expense/(income) in consolidated statement of profit or loss and other comprehensive income	**2,030**	(600)

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Loss before income tax	**(9,048)**	(4,588)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(1,719)**	(872)
Effects of:		
Non-deductible expenses	**56**	48
Non-deductible amortisation	**378**	-
Fixed asset differences	**-**	107
Impact of change in the UK tax rate	**(154)**	67
Amortisation of acquisition intangibles	**-**	40
Other	**(60)**	10
Tax on losses not recognised	**3,529**	-
Tax expense/(income)	**2,030**	(600)

Tax effects relating to effects of other comprehensive income

	Gross £'000	Tax £'000	Net £'000
2020			
Actuarial losses	**(2,483)**	**524**	**(1,959)**
2019			
Actuarial losses	(729)	125	(604)

Factors that may affect future tax charges

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. A further change to the main UK corporation tax corporation tax rate was announced in the budget on 3 March 2021 and substantively enacted for IFRS purposes on24 May 2021. The rate applicable from 1 April 2023 will increase to 25%.

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8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2019 - £0).

9. INTANGIBLE ASSETS

Group

	Goodwill £'000	**Customer relationships £'000**	**Software £'000**	**Totals £'000**
COST				
At 1 January 2020	**2,880**	**8,245**	**1,796**	**12,921**
Additions	**-**	**-**	**21**	**21**
Disposals	**-**	**-**	**(1)**	**(1)**
Impairment	**-**	**(1,623)**	**-**	**(1,623)**
At 31 December 2020	**2,880**	**6,622**	**1,816**	**11,318**
AMORTISATION				
At 1 January 2020	**-**	**634**	**1,747**	**2,381**
Amortisation for year	**-**	**2,064**	**18**	**2,082**
At 31 December 2020	**-**	**2,698**	**1,765**	**4,463**
NET BOOK VALUE				
At 31 December 2020	**2,880**	**3,924**	**51**	**6,855**

	Goodwill £'000	Customer relationships £'000	Software £'000	Totals £'000
COST				
At 1 January 2019	2,880	602	1,795	5,277
Additions	-	7,643	1	7,644
At 31 December 2019	2,880	8,245	1,796	12,921
AMORTISATION				
At 1 January 2019	-	350	1,725	2,075
Amortisation for year	-	284	22	306
At 31 December 2019	-	634	1,747	2,381
NET BOOK VALUE				
At 31 December 2019	2,880	7,611	49	10,540

continued...

9. INTANGIBLE ASSETS - continued

Group

Customer relationships consist of customer lists. The customer list resulting from the acquisition of Solar Inks Limited in 2019 has been reassessed. During 2020 the business has been adversely affected by the COVID-19 pandemic. Senior Management have evaluated the current and future business and conclude that the customer list should be impaired. Technology based intangible assets relate to software which has been capitalised.

Impairment tests for goodwill have been performed, the recoverable amount is determined based on value in use calculations. These calculations use pre-tax cash flow projections covering a five year period. The assumptions used are: Gross Margin 15.8% (2019: 10%), Growth Rate 2.3% (2019: 3%) and a Pre-tax discount Rate of 6.4% (2019: 6.5%).

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Land £'000	Buildings £'000	Mineral bearing land £'000	Assets under construction £'000
COST				
At 1 January 2020	6,295	29,358	5,577	2,871
Additions	-	-	-	4,496
Disposals	-	(13)	-	-
Adjustments	(3)	3	(89)	-
Reclassification/transfer	12	341	-	(2,186)
At 31 December 2020	6,304	29,689	5,488	5,181
DEPRECIATION				
At 1 January 2020	1,768	16,664	1,078	-
Charge for year	207	815	35	-
Eliminated on disposal	-	(13)	-	-
Impairments	352	547	-	-
Adjustments	-	-	(89)	-
At 31 December 2020	2,327	18,013	1,024	-
NET BOOK VALUE				
At 31 December 2020	3,977	11,676	4,464	5,181

continued...

10. **PROPERTY, PLANT AND EQUIPMENT - continued**

Group

	Plant & Equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Right of use assets £'000	Totals £'000
COST					
At 1 January 2020	77,742	2,762	3,498	4,807	132,910
Additions	-	-	-	3,748	8,244
Disposals	(348)	(294)	(43)	-	(698)
Adjustments	2	-	-	644	557
Reclassification/transfer	1,697	136	-	-	-
At 31 December 2020	79,093	2,604	3,455	9,199	141,013
DEPRECIATION					
At 1 January 2020	49,571	1,726	2,006	1,071	73,884
Charge for year	2,630	209	351	1,082	5,329
Eliminated on disposal	(340)	(294)	(43)	-	(690)
Impairments	3,037	94	5	-	4,035
Adjustments	3	-	-	-	(86)
At 31 December 2020	54,901	1,735	2,319	2,153	82,472
NET BOOK VALUE					
At 31 December 2020	24,192	869	1,136	7,046	58,541

	Land £'000	Buildings £'000	Mineral bearing land £'000	Assets under construction £'000
COST				
At 1 January 2019	6,447	28,148	5,577	5,155
Additions	-	-	-	5,234
Disposals	(202)	(12)	-	-
Transfer to ownership	3	-	-	-
Reclassification/transfer	47	1,222	-	(7,518)
At 31 December 2019	6,295	29,358	5,577	2,871
DEPRECIATION				
At 1 January 2019	1,711	15,876	1,038	-
Charge for year	259	800	40	-
Eliminated on disposal	(202)	(12)	-	-
Impairments	-	-	-	-
At 31 December 2019	1,768	16,664	1,078	-
NET BOOK VALUE				
At 31 December 2019	4,527	12,694	4,499	2,871

continued...

10. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Plant & Equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Right of use assets £'000	Totals £'000
COST					
At 1 January 2019	74,481	2,353	4,028	4,564	130,753
Additions	-	-	-	243	5,477
Disposals	(2,297)	(28)	(890)	-	(3,429)
Transfer to ownership	106	-	-	-	109
Reclassification/transfer	5,452	437	360	-	-
At 31 December 2019	77,742	2,762	3,498	4,807	132,910
DEPRECIATION					
At 1 January 2019	49,091	1,576	2,485	-	71,777
Charge for year	2,535	178	334	1,071	5,217
Eliminated on disposal	(2,213)	(28)	(813)	-	(3,268)
Impairments	158	-	-	-	158
At 31 December 2019	49,571	1,726	2,006	1,071	73,884
NET BOOK VALUE					
At 31 December 2019	28,171	1,036	1,492	3,736	59,026

At 31 December 2020 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £218,000 (2019: £840,000).

The net book value of Plant & Equipment includes £8,000 (2019 - £14,000) in respect of assets held under hire purchase contracts.

11. INVESTMENTS

Company

	Investment in subsidiaries £'000
COST	
At 1 January 2020 and 31 December 2020	**29,346**
NET BOOK VALUE	
At 31 December 2020	**29,346**
At 31 December 2019	29,346

continued...

11. **INVESTMENTS - continued**

Company

	Investment in subsidiaries £'000
COST	
At 1 January 2019	25,000
Additions	4,346
At 31 December 2019	29,346
NET BOOK VALUE	
At 31 December 2019	29,346

Details of the Group's subsidiaries at 31 December 2020 are as follows

Name of subsidiary	**Place of incorporation**	**Class of Share held**	**Ownership**	**Voting power**	**Principal activity**
Omya UK Limited	England & Wales	Ordinary	100%	100%	See below
Solar Inks Limited	England & Wales	Ordinary	100% (Indirect)	100%	See below

The principal activities of Omya UK Limited during the year were the manufacture of chemicals and the quarrying, processing and distribution of calcium carbonate and other raw materials for supply to the chemical, plastics, paint, rubber, paper, ink, foodstuffs, building products, pharmaceutical and allied industries.

During the prior year the investment in Omya UK Limited was increased to fund the acquisition of Solar Inks Limited.

Omya UK Limited registered office address is Melton Office, Melton Bottom, Melton, North Ferriby, East Riding of Yorkshire, HU14 3HU.

The principal activities of Solar Inks Limited during the year were the producer of sustainable flexographic inks, barriers and adhesives for the packaging industry.

Solar Inks Limited registered office address is Unit 3E, Halesfield 23, Telford, Shropshire, TF7 4NY.

12. **INVENTORIES**

	Group	
	2020	2019
	£'000	£'000
Raw materials	**1,972**	1,860
Finished goods	**8,741**	10,257
Spare parts	**579**	534
Stock in transit	**686**	575
	11,978	13,226

During the year £43,000 (2019: £102,000) was provided for slow moving and obsolete stocks.

continued...

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Current:				
Trade receivables	**18,538**	21,013	-	-
Receivables from related parties	**944**	1,563	**3,000**	3,000
Other receivables	**4**	4	-	-
Prepayments and accrued income	**732**	1,113	-	-
	20,218	23,693	**3,000**	3,000

Ageing of trade receivables

	2020	2019
	£'000	£'000
Total trade receivables	**18,595**	21,027
Less: impairment provision for trade receivables	**(57)**	(14)
	18,538	21,013
Of which:		
Not overdue	**14,555**	12,959
Past due less than 10 days	**3,795**	5,753
Past due more than 10 days but less than two months	**170**	1,205
Past due more than two months but less than six months	**18**	1,096
Past due more than six months but less than twelve months	-	-
	18,538	21,013

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies

	2020	2019
	£'000	£'000
British Pound	**17,629**	19,372
Euro	**2,216**	3,922
US Dollar	**373**	399
	20,218	23,693

14. CASH AND CASH EQUIVALENTS

	Group	
	2020	2019
	£'000	£'000
Cash in hand	**4**	3
Bank accounts	**2,576**	2,686
	2,580	2,689

continued...

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £'000	2019 £'000
25,000,000	Ordinary	£1	25,000	25,000

16. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital reserve £'000	Mineral reserve £'000	Totals £'000
At 1 January 2020	(36,693)	7,010	4,756	4,498	(20,429)
Deficit for the year	(11,078)	-	-	-	(11,078)
Actuarial gains and losses on defined benefit pension	(1,959)	-	-	-	(1,959)
Amortisation transfer	35	-	-	(35)	-
At 31 December 2020	(49,695)	7,010	4,756	4,463	(33,466)

Company

	Retained earnings £'000	Mineral reserve £'000	Totals £'000
At 1 January 2020	(7,936)	4,346	(3,590)
Profit for the year	-	-	-
At 31 December 2020	(7,936)	4,346	(3,590)

continued...

17. TRADE AND OTHER PAYABLES

	Group	
	2020	2019
	£'000	£'000
Current:		
Trade payables	**14,443**	12,648
Amounts due to related parties	**710**	1,967
Other tax and social security	**2,048**	250
Accruals and deferred income	**269**	225
Deferred government grants	**-**	1
	17,470	15,091
Non-current:		
Deferred government grants	**5**	5
	5	5
Aggregate amounts	**17,475**	15,096

continued...

18. OTHER FINANCIAL LIABILITIES

	Group	
	2020	2019
	£'000	£'000
Current:		
Lease Liabilities (see note 19)	**1,156**	954
Ultimate parent company loan	**10,347**	13,955
	11,503	14,909
Non-current		
Ultimate parent company loan	**52,550**	52,100
Lease liabilities (see note 19)	**6,093**	2,885
	58,643	54,985
Lease liability and ultimate parent company loan are repayable as follows		
On demand or within 1 year	**11,503**	14,909
Between two and five years	**58,643**	54,985
	70,146	69,894

	Company	
	2020	2019
	£'000	£'000
Current:		
Payables to related parties	**10,936**	10,936
Payables to related parties are due as follows		
On demand or within 1 year	**10,936**	10,936
After five years	**-**	-

Payables from related parties are in sterling.

Group

Analysis of bank overdraft and ultimate parent company by currency

	Total	Sterling	Euros	US Dollars	Others
	£'000	£'000	£'000	£'000	£'000
At 31 December 2019					
Ultimate parent company loan	66,055	66,055	-	-	-
At 31 December 2020					
Ultimate parent company loan	**62,897**	**62,897**	**-**	**-**	**-**

continued...

18. OTHER FINANCIAL LIABILITIES – continued

The weighted average interest rates paid were as follows

	2020	2019
Bank overdrafts	-	1.75%
Ultimate parent company loan	**2.38%**	2.67%

The other principal features of the Group's borrowings are as follows:
(i) Bank overdraft was repayable on demand.
(ii) The Group has the following principal loan:

A loan of £62.9m (2019: £66.1m) with the ultimate parent company. This loan was taken out in May 2006 and was renewed in 2008, 2010, 2013, 2014, 2018 and 2019. The loan carries an interest rate of 2.38% (2019: 2.52.%) which is the rate of 1.60% over 3 months LIBOR. No security is pledged for these loans. Repayment of £10m is due in 2021 with the remainder being due for repayment in 2022, 2023 and 2024.

At 31 December 2020 the group had available £8.6m (2019: £0.1m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

19. LEASING

Group
Right-of-use assets

Property, plant and equipment

	2020	2019
	£'000	£'000
COST		
At 1 January 2020	**4,807**	4,564
Additions	**3,748**	243
Adjustments	**644**	-
	9,199	4,807
DEPRECIATION		
At 1 January 2020	**1,071**	-
Charge for year	**1,082**	1,071
	2,153	1,071
NET BOOK VALUE	**7,046**	3,736

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 31 December 2020. Adjustments are due to a change in the incremental borrowing rate in 2020.

continued...

19. **LEASING - continued**

Group
Lease liabilities

In addition to the right-of-use assets above, the following amounts are recognised in the Consolidated Statement of Financial Position as at 31 December 2020:

	2020	2019
	£'000	£'000
Gross obligations repayable		
Within one year	1,156	954
Between one and five years	1,542	1,218
In more than five years	4,551	1,667
	7,249	3,839

£145,135 (2019: £129,293) of interest expenses on lease liabilities are recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020.

The total short term operating lease charge in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020 was £1,187,000 (2019: £1,286,000).

20. **PROVISIONS**

	Group	
	2020	2019
	£'000	£'000
Restructuring provision	1,673	-
Litigation provision	149	138
Restoration and dilapidations provision	1,533	1,492
Deferred consideration on acquisition	2,818	4,426
	6,173	6,056

Analysed as follows:		
Current	2,173	138
Non-current	4,000	5,918
	6,173	6,056

continued...

20. **PROVISIONS - continued**

	Restructuring provision £'000	Restoration and dilapidation provision £'000	Earn out provision £'000	Litigation provision £'000	Total provisions £'000
At 1 January 2020	-	1,492	4,426	138	6,056
Additional provision in the year	1,673	13	-	149	1,835
Release of provision	-	-	(1,623)		(1,623)
Utilisation of provision	-	(2)	-	(138)	(140)
Unwinding of discount	-	30	15	-	45
At 31 December 2020	**1,673**	**1,533**	**2,818**	**149**	**6,173**
- Current	**1,104**	**-**	**920**	**149**	**2,173**
- Non-current	**569**	**1,533**	**1,898**	**-**	**4,000**

Estimated long term restoration provisions are based on the Group's environmental management plans in compliance with current technological, environmental and regulatory requirements. Based on damage done to date the net present value of expected restoration cost estimates are recognised and provided for in full in the financial statements. This provision is estimated to be utilised between 2021 and 2054.

During the year the Group announced the decision to close one of its manufacturing sites at the end of 2021. A provision was made for the restructuring relating to the site.

The Group made an adjustment to the provision for deferred consideration relating to the acquisition of Solar Inks in 2019. This is due to an adjustment to the forecasted deferred consideration to be paid resulting from a change in business conditions.

The estimates are reviewed annually and are discounted using a pre-tax risk-free rate (0.85% (2019: 1.55%)) that is adjusted to reflect the current market assessments of the time value of money.

continued...

21. DEFERRED TAX

The following are the major deferred tax liabilities and (assets) recognised by the Group and movements thereon during the current reporting period.

	Accelerated tax depreciation	**Revaluation of mineral reserve**	**Retirement benefit obligations**	**Tax losses**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2019	2,439	803	(2,860)	(1,163)	(781)
Recognised in income	1,494	(40)	415	(2,468)	(599)
Recognised in equity	-	-	(125)	-	(125)
At 31 December 2019	3,933	763	(2,570)	(3,631)	(1,505)
Recognised in income	**(123)**	**(7)**	**208**	**1,951**	**2,029**
Recognised in equity	**-**	**-**	**(524)**	**-**	**(524)**
At 31 December 2020	**3,810**	**756**	**(2,886)**	**(1,680)**	**-**

Certain deferred tax assets and liabilities have been offset.
The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020	2019
	£'000	£'000
Deferred tax liabilities	**4,566**	4,696
Deferred tax assets	**(4,566)**	(6,202)
	-	(1,506)

Temporary differences not recognised in the above are insignificant.

At the balance sheet date, the Company has unused post 1 April 2017 tax losses of £21.6m (2019: £15.5m) available for offset against future profits. Deferred tax assets have been recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

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22. EMPLOYEE BENEFIT OBLIGATIONS

The Group operates a defined benefit scheme for qualifying employees which requires contributions to be made to a separately administered fund.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out in June 2019 by Mercer LLC, a firm of actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The Defined Benefit Scheme was closed to future accrual in May 2009.

The actuarial valuations described above have been updated at 31 December 2020 by the actuaries using assumptions that are consistent with the requirements of IAS 19.

The amounts recognised in the statement of financial position are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Present value of funded obligations	**(110,302)**	(101,587)
Fair value of plan assets	**95,500**	86,584
Net liability	**(14,802)**	(15,003)

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Past service cost	**-**	1
Interest cost	**1,996**	2,610
Interest income	**(1,726)**	(2,182)
	270	429
Actual return on plan assets	**9,502**	2,182

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening defined benefit obligation	**101,587**	95,060
Past service cost	**-**	1
Interest cost	**1,996**	2,610
Remeasurements - Effects of changes in financial assumptions	**10,259**	7,622
Benefits paid	**(3,540)**	(3,706)
	110,302	101,587

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening fair value of scheme assets	**86,584**	78,336
Contributions by employer	**2,954**	2,879
Interest income	**1,726**	2,182
Benefits paid	**(3,540)**	(3,706)
Remeasurements - return on plan assets (excluding interest)	**7,776**	6,893
	95,500	86,584

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Actuarial gains	**(2,483)**	(729)
	(2,483)	(729)

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Equity instruments	**6,038**	4,921
Debt instruments	**12,793**	11,743
Cash and cash equivalents	**2,265**	2,214
Index-linked Gilts	**3,703**	3,304
Assets held insurance company	**26,318**	26,126
Liability driven investments	**16,350**	13,062
Diversified growth funds	**28,033**	25,214
	95,500	86,584

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2020	2019
Discount rate	**1.40%**	2.00%
Inflation rate (consumer price index)	**2.45%**	2.10%
Future pension increases	**2.45%**	2.80%
Return on corporate bonds	**1.40%**	2.00%

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

In assessing the post retirement mortality of members in the defined benefit scheme, the Company has used:

S3PMA/S3PFA_M tables with no age rating for males and females. CMI 2019 projections with a 1.00% p.a. long term improvement rate have been used for mortality improvements.

Assumed life expectations on retirement at age 65

	2020	2019
Retiring today (male member age 65)	**21.9**	21.8
Retiring in 25 years (male member age 40 today)	**23.3**	23.2
Retiring today (female member age 65)	**23.6**	23.8
Retiring in 25 years (female member age 40 today)	**25.1**	25.3

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table shows the defined benefit obligation resulting from adjustments to the assumptions.

	2020	2019
	£'000	£'000
Decrease in discount rate of 0.1% (2019: 0.25%)	**112,067**	105,549
Increase in inflation rate of 0.1% (2019: 0.25%)	**111,184**	103,212
Increase in life expectancy of 1 year (2019: 1 year)	**115,045**	105,549
Members commutation 10% less on retirement (2019: 10%)	**110,633**	102,197

The estimated amount of contributions expected to be paid to the scheme during the 2020 financial year is £3,031,000 (2019: £2,954,000).

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22. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

Defined contribution scheme

The Group operates defined contribution retirement benefit schemes for certain qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total cost charged to income of £1,053,000 (2019: £1,189,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans.

23. **CONTINGENT LIABILITIES**

a) Other contingent liabilities
Other contingent liabilities arise in the normal course of business. It is not anticipated that any material loss will arise in connection therewith.

b) Other Guarantee
The Company has a duty guarantee for £500,000 (2019: £500,000) and a Stand By Letter Of Credit for £nil (2019: £800,000).

24. **RELATED PARTY DISCLOSURES**

Group
Related party transactions of the Group which are considered to be material are as follows:-

a) Ultimate Controlling Party
The ultimate parent company is Omya AG, a company registered in Switzerland.

b) Subsidiary Companies
Details of investments in subsidiary companies are disclosed in note 11.

c) Overseas Group Companies
During the year, the Group traded with fellow subsidiary companies of Omya AG, situated overseas. The Group's trading activities, all of which were in the ordinary course of business and at arms'- length with these companies, included £8,242,213 (2019 - £11,778,667) for the sale of goods, £2,137,698 (2019 - £2,049,768) for services provided to the group, £12,009,621 (2019 - £11,544,958) for purchase of goods, £1,544,442 (2019 - £1,624,679) for interest expenses on loans and £7,095,266 (2019: £6,779,489) for service charges from group companies.

The amounts owed by overseas Group companies at the year-end amounted to £943,518 (2019 - £1,562,591) and the amounts owed to overseas Group companies at the year-end amounted to £709,731 (2019 - £1,969,934).

Details of loans from the parent company, which is a related party, are provided in note 18.

Company
Related party transactions of the Company which are considered to be material are as follows:-

Included within receivables from related parties are amounts due from UK related parties which arose mainly from trading transactions totalling £3,000,000 (2019 - £3,000,000). The receivables are unsecured in nature and bear no interest.

Included within payables to related parties are amounts due to UK related parties which arose mainly from purchase transactions totalling £10,936,000 (2019 - £10,936,000). The payables bear no interest.

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25. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£'000	£'000
Loss before income tax	(9,048)	(4,588)
Depreciation charges	5,329	5,217
Profit on disposal of fixed assets	(6)	(28)
Amortisation and impairment charges	7,741	464
Difference between pension charge and cash contributions	(2,684)	(2,449)
Movement in provisions	212	182
Finance costs	2,019	2,270
Finance income	(6)	(6)
	3,557	1,062
Decrease/(increase) in inventories	1,248	(217)
Decrease/(increase) in trade and other receivables	3,475	(2,557)
Increase/(decrease) in trade and other payables	2,380	(1,795)
Cash generated from/(used in) operations	**10,660**	(3,507)

26. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£'000	£'000
Cash and cash equivalents	2,580	2,689

Year ended 31 December 2019

	31.12.19	1.1.19
	£'000	£'000
Cash and cash equivalents	2,689	884

continued...

27. FINANCIAL AND CAPITAL RISK

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the treasury function under policies approved by the board of directors.

Market risk - The Group's interest rate risk arises from long-term borrowings. The Group is funded substantially by a LIBOR linked interest bearing loan from the ultimate parent company. At 31 December 2020, the Group had a loan of 62.7m (2019: £66.1m) with the ultimate parent company which carried an interest rate at 1.60% over 3 months LIBOR.

Credit risk - The Group's credit risk is primarily attributable to its trade receivables. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 31 December 2020, 0.57% (2019: 4.7%) of trade debtors were over two months overdue.

Liquidity risk - Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury function maintains flexibility in funding by maintaining availability under committed credit lines. At 31 December 2020, the Group had available £8.6m (2019: £0.1m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

Interest rate risk - The Group is funded substantially by interest bearing payables to the Omya AG group. As a consequence the Group is dependent on the Omya AG group treasury department for managing interest rate risk. The impact of the interest rate risk is passed down from the Omya AG group to the Group through the increase or decrease in the rate payable on group funding. If the Group interest rate had increased by 1% with all other variables held constant, pre-tax profit for the year would have been £759,000 (2019: £645,000) lower.

The following table analyses the Group non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	**Between 3 months and 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 31 December 2020					
Borrowings	**-**	**10,347**	**-**	**-**	**52,550**
Trade and other payables	**19,576**	**269**	**5**	**-**	**-**
Provisions	**-**	**2,173**	**569**	**1,898**	**1,533**
	19,576	**12,789**	**574**	**1,898**	**54,083**
At 31 December 2019					
Borrowings	-	13,955	-	-	52,100
Trade and other payables	17,095	225	6	-	-
Provisions	-	138	-	4,426	1,492
	17,095	14,318	6	4,426	53,592

continued...

27. FINANCIAL AND CAPITAL RISK – continued

Capital Risk - The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.