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**EMERALD KALAMA CHEMICAL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

TUESDAY

  
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COMPANIES HOUSE

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**EMERALD KALAMA CHEMICAL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	G R Smith W T Byrne P L Hogan (resigned 25 March 2020) E T Gotch (appointed 25 March 2020)
<b>Registered number</b>	04178371
<b>Registered office</b>	Dans Road Widnes Cheshire WA8 0RF
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Barclays Bank Plc 48B - 50 Lord Street Liverpool L2 1TD
<b>Solicitors</b>	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ

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EMERALD KALAMA CHEMICAL LIMITED

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## EMERALD KALAMA CHEMICAL LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

The principal activity of the Company during the year remained that of the manufacture and sale of synthetic organic chemicals and the Company expects to continue to carry out these activities in the future.

The manufacturing plant is based in Widnes, Cheshire, UK.

#### Business review

Turnover for the year was £46.8 million (2019: £48.1 million), which was an decrease of £1.3 million (2019: increase of £7.8 million) compared to prior year (2.7% decrease). The decrease in turnover was driven by lower demand offset with increased selling prices despite a drop in production volume to 6,480 tonnes (7,447 tonnes 2019).

Stocks decreased from £13.2 million to £11.4 million, a decrease of 13.6%, due to a planned shutdown of the operations at the last 2 weeks of the year.

Gross profit in 2020 slightly decreased to £12.8 million, which was a decrease of £0.3 million on prior year. This equates to a gross profit percentage of turnover of 27.4% (2019: 27.2%). This is due primarily to increased average selling prices on the main product lines and further product rationalisation.

Operating profit increased from an operating profit of £8.2 million to an operating profit of £9.3 million, an increase of £1.1 million on the prior year. This is as a result of expense control and building on efficiencies, leading to a decline of expenses in general, and more specifically in the area of contract services in the maintenance area.

#### Financial and non-financial key performance indicators

Key performance indicators used by the Company are as follows and are explained in the business review above:

	2020	2019	Definition
Sales trend	(2.7%)	20%	Year on year turnover growth expressed as a percentage
Gross margin	27.4%	27.2%	Gross profit expressed as a percentage
Operating margin	19.8%	17.0%	Operating profit expressed as a percentage
Production (tonnes)	6,480	7,447	Production volume in the year in tonnes

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## EMERALD KALAMA CHEMICAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Directors' statement of compliance with duty to promote the success of the Company**

In accordance with section 172 of the Companies Act 2006 the Directors, collectively and individually, confirm that during the year ended 31 December 2020, they acted in good faith and have upheld their 'duty to promote the success of the company' to the benefit of its stakeholder groups. Section 172 describes a diverse range of stakeholders whose interests are said to feature in the 'success of the Company'; comments on each of these are provided below:

#### **Community and Environment**

The Company's policy with regard to the environment is to ensure that we understand and effectively manage the actual and potential environmental impact of our activities. At Emerald, we protect the health and safety of our people and embrace the communities where we live and work, which goes hand in hand with environmental stewardship. With this in mind, we approach sustainability holistically and cross-functionally, as an ingrained part of every initiative and the way we approach our work each and every day. During the year covered by this report the Company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Periodically Emerald prepares a sustainability report outlining the multitude of schemes the company drives to improve harmony with local communities and the global environment, which is freely available on its website: <https://emeraldkalama.com/sustainability/>

#### **Our People**

The quality and commitment of our people has played a major role in our business success. This has been demonstrated through stimulation of cooperation, communication, trust and personal development. Employees' performance is aligned to Company goals through an annual performance review process that is carried out with all employees.

#### **Culture, values and standards**

Culture, values and standards underpin how the company creates and sustains value over the longer term. The board are fully committed to upholding these values and the guiding principles established by the Company's parent. These are:

- Protect the health and safety of our employees and the environment,
- Conduct our business and operate our plants responsibly and ethically,
- Strive for continuous improvement in everything we do,
- Treat everyone with fairness, respect and dignity, and
- Foster teamwork, communication, commitment, trust, and personal growth.

#### **Stakeholders**

The board are committed to developing and maintaining key stakeholder relationships that includes both our customers, suppliers and Lenders. The board always tries to ensure that it has visibility of these relationships at all times so that it is able to take stakeholder considerations into account when it makes key decisions.

#### **Shareholders**

The board are committed to openly engaging with our shareholders as we recognise the importance of a continuing effective dialogue. It is important to us that our shareholders understand our strategy and objectives so these must be explained clearly, feedback heard and any issues or questions properly raised and properly considered.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Principal risks and uncertainties**

The Company's operations expose it to a variety of risks that include price risk, credit risk, concentration risk and foreign exchange risk. The Company has a number of management strategies in order to ensure business continuity as far as is reasonably practicable. The uncertainties around the global economy at the beginning of 2020 with respect to COVID-19 have eventually not affected the business negatively due to the nature of the products manufactured by Emerald. Emerald has taken appropriate measures to have a minimal impact from the Brexit uncertainties. In anticipation of Brexit, Emerald reviewed its logistical setup and made changes to this in relation to the customers in the European Union. This includes utilising a warehouse of a third party logistical company in the Netherlands in order to bring the goods into free circulation. Some synergy effect also occurs due to the presence of the sister company in the Netherlands.

**Price risk**

The Company is subject to price risk as a result of fluctuations in sales prices and raw material prices. The Company offers fixed prices for some long term sales agreements with customers to manage this risk.

**Credit risk**

Credit limits are used. Ongoing credit evaluation and account monitoring procedures are used to minimise bad debt risk. Collateral is not generally required.

**Concentration risk**

A small number of key customers account for a significant proportion of the Company's turnover. This risk is managed by ongoing dialogue with these customers to determine their anticipated needs and respond accordingly.

**Supplier risk**

Key products supplied by a diverse selection of vendors account for a significant proportion of the Company's raw material purchases. This risk is managed by ongoing dialogue with these suppliers to manage their expectations in line with those of the Company. This managing process is undertaken at the local level and is also supported by the wider group. A key factor in the risk management is dual sourcing which is managed globally or locally as appropriate.

**Cashflow/liquidity risk**

This is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities as they fall due. The Company manages this risk by limiting exposure on credit risk, as detailed above, and tightly reviewing and managing cash balances and forecasts of cash flows. In addition, the Company is supported by the Emerald group of companies via its corporate treasury function and has access to the resources associated with a group of companies of such size.

**Foreign exchange risk**

The Company is exposed to the risk of exchange rate fluctuations as a result of the purchases and sales made in foreign currencies. The Company monitors currency risk closely and endeavours to meet its objective of managing exposure to currency fluctuations.

The UK leaving the European Union introduces new challenges into an already challenging market place. The Company has reviewed the opportunities and risk this brings whilst reviewing the going concern assumption, which is judged to be unaffected despite the uncertainty in the UK economy.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

*Graham Smith*

**G R Smith**  
Director

Date: 28 July 2021

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**EMERALD KALAMA CHEMICAL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Results and dividends**

The profit for the year, after taxation, amounted to £7,350 thousand (2019 - £6,969 thousand).

The directors have not recommended a final dividend (2019: £Nil).

**Directors**

The directors who served during the year were:

G R Smith  
W T Byrne  
P L Hogan (resigned 25 March 2020)  
E T Gotch (appointed 25 March 2020)

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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



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**EMERALD KALAMA CHEMICAL LIMITED**


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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**


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**Future developments**

The Company is continuing to focus on increasing market share and pricing of its main product lines. Further investments in efficiencies and sustainability will lead to lower raw material cost, utility cost and waste and is part of a continuous improvement process. Investment in new product developments (R&D) and capacity has taken place during 2020. During 2021 main focus of the R&D activities will focus on capacity extensions by debottlenecking. This should lead to further growth in volume, revenue and margins.

In anticipation of Brexit, Emerald reviewed its logistical setup and made changes to this in relation to the customers in the European Union. This includes utilising a warehouse of a third party logistical company in the Netherlands in order to bring the goods into free circulation. Some synergy effect also occurs due to the presence of the sister company in the Netherlands.

**Qualifying third party indemnity provisions**

The Company has agreed to indemnify its directors against third party claims which may be brought against them and has put in place a directors and officers insurance policy.

**Streamlined energy and carbon reporting (SECR)**

The following SECR disclosures presents our carbon footprint within the United Kingdom across Scope 1 and 2 emissions. We have followed the 2019 HM Government Environmental Reporting Guidelines and used the GHG Reporting Protocol – Corporate Standard and also used the 2020 UK Government's Conversion Factors for Company reporting. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per tonne of product produced.

Energy consumption (kWh)	
Natural Gas	60,997,885
Electricity	15,401,683
LPG	3,183

Scope 1 emissions of Carbon Dioxide (metric tonnes)	
Natural Gas	15,489
Gas Oil	18
LPG	1

Scope 2 Emissions of Carbon Dioxide (metric tonnes)	
Electricity	8,017

Total emissions (mt)	23,525
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Intensity ratio tonnes CO <sub>2</sub> per tonne produced	3.63
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The company has taken measures to improve energy efficiency and reduce energy consumption through various projects including:

- Installation of energy efficient lighting across the factory
- Improved steam boiler controls, load management & burner optimisation
- Installation of energy efficient motor drives across the factory
- Installation of variable speed controls on cooling water circulation pumps.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Going concern**

After reviewing the company's forecasts and projections, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is due to the fact that the market and sector in which the company operates is experiencing strong demand. The company's products are used in the home care, personal care, household and pharmaceutical applications, and demand for these products remains strong. The impact of Covid-19 on the financial results of the company has been limited due to the nature of the company's products.

The directors have also considered the availability of intragroup funding from the wider group should it be required, and have received assurances that support will be available to enable the company to meet its liabilities as they fall due, should it be required. In their considerations, the directors have noted the intention of the controlling shareholder of the company's ultimate parent undertaking to dispose of the group of which it is a part. The directors have received assurances that support will continue to be available to enable the company to meet its liabilities as they fall due in the event of the sale of the group completing within the period considered by the directors in their going concern assessment, which is 12 months from the date of signing of the financial statements. The company, therefore, continues to adopt the going concern policy in preparing its financial statements.

**Post balance sheet events**

In February 2021, American Securities LLC agreed terms with Lanxess AG in relation to the sale of Emerald Kalama Chemical LLC and its subsidiaries, including Emerald Kalama Chemical Limited. The sale is awaiting approval from the relevant authorities, and it is anticipated that it will complete during 2021.

**Matters covered in the strategic report**

In accordance with s414C(11) of the Companies Act, the Company has chosen to include information in respect of its financial risk management objectives and policies and exposure to risk in the Strategic Report. This information would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the Directors' Report.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

*Graham Smith*

**G R Smith**  
Director

Date: 28 July 2021



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMERALD KALAMA CHEMICAL LIMITED

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### Opinion

We have audited the financial statements of Emerald Kalama Chemical Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMERALD KALAMA CHEMICAL LIMITED  
(CONTINUED)**

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Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

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

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

We have nothing to report in this regard.

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

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

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



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMERALD KALAMA CHEMICAL LIMITED (CONTINUED)**

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### **Matter on which we are required to report by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

### **Responsibilities of directors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMERALD KALAMA CHEMICAL LIMITED  
(CONTINUED)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluation of the processes and controls established to address the risks related to irregularities and fraud;
  - Challenging assumptions and judgments made by management in its significant accounting estimates;
  - Identifying and testing of unusual journal entries; and
  - Identifying and testing related party transactions.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the Company operates and the engagement team's understanding of, and practical experience through training and participation with audit engagements of a similar nature.
- The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
  - The company's control environment including the adequacy of procedures for authorisation of transactions.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMERALD KALAMA CHEMICAL LIMITED  
(CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Frances Grant  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester

28 July 2021

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**EMERALD KALAMA CHEMICAL LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £000	2019 £000
Turnover	4	46,770	48,114
Cost of sales		(33,949)	(35,025)
<b>Gross profit</b>		<b>12,821</b>	<b>13,089</b>
Distribution costs		(810)	(1,029)
Administrative expenses		(2,757)	(3,863)
Other operating income	5	2	1
<b>Operating profit</b>	7	<b>9,256</b>	<b>8,198</b>
Interest receivable and similar income	12	2	3
<b>Profit before tax</b>		<b>9,258</b>	<b>8,201</b>
Tax on profit	13	(1,908)	(1,232)
<b>Profit for the financial year</b>		<b>7,350</b>	<b>6,969</b>

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 17 to 32 form part of these financial statements.



**EMERALD KALAMA CHEMICAL LIMITED**  
**REGISTERED NUMBER:04178371**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	14	23,118	21,626
		<u>23,118</u>	<u>21,626</u>
<b>Current assets</b>			
Stocks	15	11,364	13,239
Debtors: amounts falling due within one year	16	11,945	7,801
Cash at bank and in hand	17	199	213
		<u>23,508</u>	<u>21,253</u>
Creditors: amounts falling due within one year	18	(6,111)	(10,100)
<b>Net current assets</b>		<u>17,397</u>	<u>11,153</u>
<b>Total assets less current liabilities</b>		<u>40,515</u>	<u>32,779</u>
<b>Provisions for liabilities</b>			
Deferred tax	20	(1,320)	(839)
Other provisions	21	-	(95)
		<u>(1,320)</u>	<u>(934)</u>
<b>Net assets</b>		<u><u>39,195</u></u>	<u><u>31,845</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	129	129
Share premium account	23	106	106
Capital redemption reserve	23	65	65
Profit and loss account	23	38,895	31,545
		<u>39,195</u>	<u>31,845</u>

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

*Graham Smith*

**G R Smith**  
 Director

Date: 28 July 2021

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**EMERALD KALAMA CHEMICAL LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	129	106	65	31,545	31,845
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	7,350	7,350
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,350</u>	<u>7,350</u>
<b>At 31 December 2020</b>	<u>129</u>	<u>106</u>	<u>65</u>	<u>38,895</u>	<u>39,195</u>

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2019	129	106	65	24,576	24,876
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	6,969	6,969
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,969</u>	<u>6,969</u>
<b>At 31 December 2019</b>	<u>129</u>	<u>106</u>	<u>65</u>	<u>31,545</u>	<u>31,845</u>

The notes on pages 17 to 32 form part of these financial statements.

**EMERALD KALAMA CHEMICAL LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £000	2019 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	7,350	6,969
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,698	1,393
Interest received	(2)	(3)
Taxation charge	1,908	1,232
Decrease/(increase) in stocks	1,875	(3,528)
(Increase)/decrease in debtors	(1,387)	1,153
Increase in amounts owed by groups	(2,755)	-
(Decrease)/increase in creditors	(572)	164
Decrease in amounts owed to groups	(3,636)	(3,213)
Decrease in provisions	(95)	(95)
Corporation tax paid	(1,193)	(473)
<b>Net cash generated from operating activities</b>	<u>3,191</u>	<u>3,599</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,207)	(3,545)
Interest received	2	3
<b>Net cash from investing activities</b>	<u>(3,205)</u>	<u>(3,542)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(14)</u>	<u>57</u>
Cash and cash equivalents at beginning of year	213	156
<b>Cash and cash equivalents at the end of year</b>	<u>199</u>	<u>213</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	199	213
	<u>199</u>	<u>213</u>

The notes on pages 17 to 32 form part of these financial statements.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Emerald Kalama Chemical Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Dans Road, Widnes, Cheshire, WA8 0RF.

The principal activity of the Company during the year remained that of the manufacture and sale of synthetic organic chemicals.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is GBP (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

After reviewing the company's forecasts and projections, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is due to the fact that the market and sector in which the company operates is experiencing strong demand. The company's products are used in the home care, personal care, household and pharmaceutical applications, and demand for these products remains strong. The impact of Covid-19 on the financial results of the company has been limited due to the nature of the company's products.

The directors have also considered the availability of intragroup funding from the wider group should it be required, and have received assurances that support will be available to enable the company to meet its liabilities as they fall due, should it be required. In their considerations, the directors have noted the intention of the controlling shareholder of the company's ultimate parent undertaking to dispose of the group of which it is a part. The directors have received assurances that support will continue to be available to enable the company to meet its liabilities as they fall due in the event of the sale of the group completing within the period considered by the directors in their going concern assessment, which is 12 months from the date of signing of the financial statements. The company, therefore, continues to adopt the going concern policy in preparing its financial statements.

**2.3 Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point when the goods are dispatched in accordance with the terms and conditions of sale. Management will review the treatment of shipments where the risks and rewards of ownership of the goods do not transfer upon dispatch.

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**EMERALD KALAMA CHEMICAL LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**2. Accounting policies (continued)**
**2.4 Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	10%
Computer equipment	-	33%
Land is not depreciated		

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)****2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)****2.11 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP (£).

**Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within administrative expenses.

**2.12 Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)****2.13 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.14 Provision for remediation costs**

Liabilities for environmental remediation are recognised in full in the period in which an obligation arises.

The carrying amount of liabilities is reviewed regularly. Changes in operational assumptions, laws or technology are reflected in an adjustment to the provision.

**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

**2.16 Research and development**

Expenditure on research and development is charged to profit or loss as incurred.



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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.17 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these significant judgements and estimates have been made include:

- Useful economic life and carrying value of tangible fixed assets - tangible fixed assets are depreciated over their estimated useful lives. Useful lives and depreciation are reviewed if there is an indication of a significant change since the last reporting date. The carrying value of tangible fixed assets is also considered by management when there are indicators of impairment. If an impairment trigger is identified an impairment review is conducted, considering whether the recoverable value is higher than the carrying value. No impairment has been identified in the year (2019: £Nil).
- Stock provision - At each Balance sheet date, management performs a review of stock to assess the carrying value and the level of provisioning required. The estimates and associated assumptions are based on historical experience and specific identification.

**4. Turnover**

Analysis of turnover by country of destination:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	1,619	4,276
Rest of Europe	21,324	19,038
Rest of the world	23,827	24,800
	<u><b>46,770</b></u>	<u><b>48,114</b></u>

The whole of the turnover is from the sale of goods and is attributable to one class of business, the manufacture and sale of synthetic organic chemicals.

**5. Other operating expense**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Sundry income	<u><b>2</b></u>	<u><b>1</b></u>

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Analysis of net debt**

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	213	(14)	199
	<u>213</u>	<u>(14)</u>	<u>199</u>

**7. Operating profit**

The operating profit is stated after charging:

	2020 £000	2019 £000
Research & development charged as an expense	320	334
Depreciation of tangible fixed assets	1,698	1,393
Exchange differences	159	264
Other operating lease rentals	53	65
	<u>          </u>	<u>          </u>

**8. Auditor's remuneration**

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	43	40
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Tax compliance services	10	13
All other taxation advisory services	24	25
Other non-audit services	1	1
	<u>35</u>	<u>39</u>

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>5,370</b>	<i>5,471</i>
Social security costs	<b>540</b>	<i>541</i>
Cost of defined contribution scheme	<b>388</b>	<i>345</i>
	<u><b>6,298</b></u>	<u><i>6,357</i></u>

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Production	<b>48</b>	<i>48</i>
Selling and administrative	<b>43</b>	<i>45</i>
	<u><b>91</b></u>	<u><i>93</i></u>

**10. Directors' remuneration**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Directors' emoluments	<b>121</b>	<i>116</i>
Company contributions to defined contribution pension schemes	<b>11</b>	<i>16</i>
	<u><b>132</b></u>	<u><i>132</i></u>

During the year retirement benefits were accruing to no directors (2019: Nil) in respect of defined contribution pension schemes.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**11. Key management personnel**

Key management personnel are those parties having authority and responsibility for planning, directing and controlling activities of the Company. The figures below include compensation paid to key management personnel. The number of key management personnel who were remunerated by the company in the year are: 1 (2019: 1).

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Total remuneration	121	116
ER NI contribution	15	14
	<u>136</u>	<u>130</u>

**12. Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Interest receivable on bank deposits	<u>2</u>	<u>3</u>

**13. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	1,445	973
Adjustments in respect of previous periods	(18)	26
<b>Total current tax</b>	<u>1,427</u>	<u>999</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	380	377
Changes to tax rates	99	(99)
Adjustment in respect of previous periods	2	(45)
<b>Total deferred tax</b>	<u>481</u>	<u>233</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>1,908</u>	<u>1,232</u>

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**EMERALD KALAMA CHEMICAL LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**13. Taxation (continued)**
**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	9,258	8,201
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,759	1,558
<b>Effects of:</b>		
Expenses not deductible for tax purposes	83	73
Adjustments to tax charge in respect of prior periods	(15)	(19)
Adjustments for changes in tax rates	99	(99)
Deferred tax not provided for	-	(281)
Effects of group relief/other reliefs	(18)	-
<b>Total tax charge for the year</b>	<b>1,908</b>	<b>1,232</b>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £417,000 and to increase the deferred tax liability by £417,000.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**14. Tangible fixed assets**

	Freehold property £000	Plant and machinery £000	Computer equipment £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2020	5,841	35,817	332	3,455	45,445
Additions	-	-	-	3,190	3,190
Transfers between classes	679	2,662	277	(3,618)	-
At 31 December 2020	<u>6,520</u>	<u>38,479</u>	<u>609</u>	<u>3,027</u>	<u>48,635</u>
<b>Depreciation</b>					
At 1 January 2020	246	23,423	150	-	23,819
Charge for the year	135	1,484	79	-	1,698
At 31 December 2020	<u>381</u>	<u>24,907</u>	<u>229</u>	<u>-</u>	<u>25,517</u>
<b>Net book value</b>					
At 31 December 2020	<u>6,139</u>	<u>13,572</u>	<u>380</u>	<u>3,027</u>	<u>23,118</u>
At 31 December 2019	<u>5,595</u>	<u>12,394</u>	<u>182</u>	<u>3,455</u>	<u>21,626</u>

Assets under construction were included in plant and machinery in the prior period.

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**15. Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>3,154</b>	2,952
Work in progress	<b>5,334</b>	4,482
Finished goods and goods for resale	<b>2,876</b>	5,805
	<u><b>11,364</b></u>	<u><b>13,239</b></u>

An impairment loss of £113,000 (2019: £467,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**16. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>8,770</b>	7,126
Amounts owed by group undertakings	<b>2,755</b>	-
Other debtors	<b>312</b>	523
Prepayments and accrued income	<b>108</b>	152
	<u><b>11,945</b></u>	<u><b>7,801</b></u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

Amounts owed by group undertakings are unsecured and are repayable on demand and are not subject to interest.

**17. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<u><b>199</b></u>	<u><b>213</b></u>

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**EMERALD KALAMA CHEMICAL LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**18. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>2,744</b>	3,435
Amounts owed to group undertakings	-	3,635
Corporation tax	<b>993</b>	759
Other taxation and social security	<b>163</b>	142
Accruals and deferred income	<b>2,211</b>	2,129
	<u><b>6,111</b></u>	<u>10,100</u>

Amounts owed to group undertakings are unsecured and are repayable on demand and are not subject to interest.

**19. Financial instruments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u><b>11,724</b></u>	<u>7,862</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>(4,954)</b></u>	<u>(9,199)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand, trade debtors, group debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, group creditors and accruals.



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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**20. Deferred taxation**

	<b>2020 £000</b>	<b>2019 £000</b>
At beginning of year	(839)	(606)
Charged to the profit or loss	(479)	(233)
Adjustments in respect of prior periods	(2)	-
<b>At end of year</b>	<b>(1,320)</b>	<b>(839)</b>

The provision for deferred taxation is made up as follows:

	<b>2020 £000</b>	<b>2019 £000</b>
Accelerated capital allowances	(1,342)	(915)
Short term timing difference	22	76
	<b>(1,320)</b>	<b>(839)</b>

The Company has £Nil (2019: £Nil) of trading losses to carry forward against future taxable profits. The total deferred tax asset not recognised is £Nil (2019: £Nil).

**21. Provisions**

	<b>Remediation Provision £000</b>
At 1 January 2020	95
Utilised in year	(95)
<b>At 31 December 2020</b>	<b>-</b>

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**22. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
1,287,249 (2019 - 1,287,249) Ordinary shares of £0.10 each	<b>129</b>	<b>129</b>
	<u>129</u>	<u>129</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**23. Reserves**

**Share premium account**

Includes any premiums received on issue of share capital.

**Capital redemption reserve**

Relates to the Company's repurchase of its own shares.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**24. Capital commitments**

As at 31 December 2020, the Company had capital commitments amounting to £91,000 (2019: £212,000).

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**EMERALD KALAMA CHEMICAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**25. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>53</b>	<i>65</i>
Later than 1 year and not later than 5 years	<b>112</b>	<i>213</i>
<b>Total</b>	<b>165</b>	<i>278</i>

**26. Related party transactions**

The Company has taken advantage of the exemption, not to disclose transactions with other wholly owned group companies.

The key management personnel of the Company are considered to be the directors of the Company. Refer to note 11 for disclosure of the remuneration paid to the directors by this Company.

**27. Ultimate parent undertaking and controlling party**

The Company is 100% owned by Emerald Kalama Chemical Holdings Limited, a company incorporated in Jersey, which is its immediate parent undertaking.

The ultimate parent undertaking is Emerald Performance Materials, LLC, a company incorporated in the United States of America.

The ultimate controlling party is considered to be American Securities LLC, a company incorporated in the United States of America.

**28. Post balance sheet events**

In February 2021, American Securities LLC agreed terms with Lanxess AG in relation to the sale of Emerald Kalama Chemical LLC and its subsidiaries, including Emerald Kalama Chemical Limited. The sale is awaiting approval from the relevant authorities, and it is anticipated that it will complete during 2021.