

Registered in England and Wales number: 06349474.

Synthomer Overseas Limited

Annual report and financial statements for the year ended
31 December 2020

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SYNTHOMER OVERSEAS LIMITED

REPORT AND FINANCIAL STATEMENTS 2020

CONTENTS

Page

Directors' report

1

Balance sheet

2

Statement of changes in equity

3

Notes to the financial statements

4

SYNTHOMER OVERSEAS LIMITED

STATEMENT OF COMPREHENSIVE INCOME **For the year ended 31 December 2020**

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

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year under review was that of an investment holding company. The Directors expect this activity to continue for the foreseeable future.

The Company holds an investment in Shanghai Synthomer Chemicals Co Limited (FICE).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is an investment holding company within the Synthomer plc Group (the "Group") and, as such, it does not have any direct trading risks or uncertainties.

As a global, speciality chemicals business, the Group is subject to raw material price risk which it seeks to mitigate through strong supplier relationships and risks associated with global economic conditions. This is discussed in the Synthomer plc 2020 Annual Report.

GOING CONCERN

As outlined in the financial statements below, the Directors consider that the Company can continue to operate for a period of at least 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

RESULTS AND DIVIDENDS

The profit after taxation for the year was £nil (2019: £nil) and the Directors do not recommend the payment of a dividend (2019: £nil).

DIRECTORS

The Directors of the Company who held office during the year and up to the date of signing the financial statements were:

R Atkinson
S G Bennett

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to small companies, under section 415A of the Companies Act 2006.

Approved by the Board of Directors
and signed by the order of the Board.



R Atkinson
Director
19 May 2021

SYNTHOMER OVERSEAS LIMITED

BALANCE SHEET

As at 31 December 2020

	Note	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	4	1,588	1,588
CURRENT ASSETS			
Cash at bank and in hand		824	824
NET ASSETS		<u>2,412</u>	<u>2,412</u>
CAPITAL AND RESERVES			
Share capital	5	3,527	3,527
Profit and loss account		<u>(1,115)</u>	<u>(1,115)</u>
TOTAL EQUITY		<u>2,412</u>	<u>2,412</u>

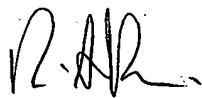
Audit exemption statement

For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities

- (a) The Members have not required the Company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006.
- (b) The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 2 to 7 were authorised for issue by the Board of Directors on 19 May 2021 and were signed on its behalf by



R Atkinson
Director

Synthomer Overseas Limited
Registered number 06349474

SYNTHOMER OVERSEAS LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2020

	Share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2020	3,527	(1,115)	2,412
Profit for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	-	-
Issue of ordinary shares	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	3,527	(1,115)	2,412
	<hr/>	<hr/>	<hr/>
At 1 January 2019	-	(1,115)	(1,115)
Profit for the financial year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	-	-
Issue of ordinary shares	3,527	-	3,527
	<hr/>	<hr/>	<hr/>
At 31 December 2019	3,527	(1,115)	2,412
	<hr/>	<hr/>	<hr/>

SYNTHOMER OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

Synthomer Overseas Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The address of its registered office is:

Yule Catto Building
Temple Fields
Harlow, Essex
CM20 2BH

The principal activity of the Company during the year under review was that of an investment holding company. The Company holds an investment in Shanghai Synthomer Chemical Company Ltd (FICE).
Statement of compliance

The individual financial statements of Synthomer Overseas Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss where applicable.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this accounting policies note below.

Going concern

The Directors have assessed the ability of the Company to continue as a going concern, considering the principal risks and uncertainties outlined in the Directors' Report, the financial position and the expected timing of the settlement of intercompany balances. The Company is a member of the Synthomer plc Group which is considered to be a going concern. The basis for this, and the related assumptions and risks, are disclosed within the Synthomer plc Annual Report.

Based upon the above, the Directors believe that the Company can continue to operate for a period of at least 12 months from the date of approval of these financial statements and therefore continue to adopt the going concern basis of preparation.

Consolidated financial statements

The Company takes advantage of the exemptions conferred under s400 of the Companies Act 2006 from the requirement to prepare group financial statements for the year ended 31 December 2020. The financial statements therefore present information in respect of the Company as an individual undertaking.

SYNTHOMER OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Synthomer plc, includes the Company's cash flows in its own consolidated financial statements.

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is Pound Sterling.

(ii) 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 profit and loss account.

Investments

(i) Investments in subsidiary companies

Investments in subsidiary companies are held at historical cost less accumulated impairment losses.

(ii) Investments in associates

Investments in associates are held at historical cost less accumulated impairment losses.

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 may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset 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 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 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 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.

SYNTHOMER OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and profit on ordinary activities before taxation as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Critical accounting judgements and potential uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on industry experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

The Directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The Directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

3. EMPLOYEES AND DIRECTORS

The Company had no employees in either the current or prior year.

The Directors received no emoluments for their services to the Company in either the current or prior year.

SYNTHOMER OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

4. INVESTMENTS

	2020 £'000	2019 £'000
As at 1 January	1,588	1,677
Disposal to a related party	-	(89)
As at 31 December	<u>1,588</u>	<u>1,588</u>

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company holds 100% of the issued share capital of Shanghai Synthomer Chemical Co Ltd, a trading subsidiary incorporated in China with a registered address at Building 53-55, 1000 Zhangheng Road, Zhangjiang High-tech Park, Shanghai, 201203, China.

5. SHARE CAPITAL

Ordinary shares of £1 each	2020 No.	2019 £'000
Allotted and fully paid		
At 1 January	3,527,791	3,527
Issued during the year	-	-
At 31 December	<u>3,527,791</u>	<u>3,527</u>

6. RELATED PARTY DISCLOSURES

As the Company is a wholly owned subsidiary of Synthomer plc, the Company has taken advantage of the exemption available under in FRS 102, paragraph 33.1A, not to disclose transactions with wholly owned members of the Synthomer plc Group.

Synthomer Plc has provided a statutory guarantee against all the outstanding liabilities of Synthomer Overseas Limited as at 31 December 2020.

7. CONTROLLING PARTIES

The Company's immediate and ultimate parent undertaking is Synthomer plc, incorporated in the United Kingdom.

The smallest and largest group to consolidate these financial statements is also Synthomer plc. Copies of the Synthomer plc financial statements are available from Central Road, Temple Fields, Harlow, Essex, CM20 2BH.