

Blagden (Holdings) Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 8656712

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Blagden (Holdings) Limited

Report and financial statements For the year ended 31 December 2019

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Blagden (Holdings) Limited

Directors and Advisors For the year ended 31 December 2019

Directors	R G Turton (Managing) G W J Turton
Company number	8656712
Registered office	Osprey House Black Eagle Square Westerham Kent TN16 1PA
Distribution Site	14 Spitfire Road Triumph Trading Park Speke Hall Road Liverpool L24 9BF
Accreditations	COMAH Lower Tier ISO 9001:2015 CBA Responsible Care DGSA approved CareChem 24 scheme FEMAS
Trade Associations	Chemical Business Association Group House, Southmere Court, Electra Way, Crewe Business Park, Crewe, Cheshire, CW1 6GU British Coatings Federation Ltd Westwood Way, Westwood Business Park, Coventry, CV4 8HS British Association for Chemical Specialities The Exchange, Station Parade, Harrogate, HG1 1TS
Auditors	BDO LLP 55 Baker Street, London, W1U 7EU
Bankers	HSBC Bank PLC 5 th Floor, 70 Pall Mall, London, SW1Y 5EZ
Insurance Brokers	Arthur J Gallagher 34 Tower View, Kings Hill, West Malling, Kent, ME19 4UY
Corporate Lawyers	Cripps LLP Number 22, Mount Ephraim, Tunbridge Wells, TN4 8AS
HR Lawyers	Loch Associates Group Oxford House 15-17 Mount Ephraim Road, Tunbridge Wells, TN1 1EN

Blagden (Holdings) Limited

Directors' report For the year ended 31 December 2019

The directors present the report together with the audited financial statements for the year ended 31 December 2019.

Results and dividends

The results for the year are set out on page 10.

A dividend of £1,526,000 was paid during the year (2018 - £1,026,000).

A dividend of £1,526,000 was received during the year (2018 - £1,026,000).

Principal activities

The principal activities of the Group are the representation of mainly overseas chemical manufacturers and the sales of their products in the UK and Irish markets.

The strategic report on page 5 provides information regarding the review of business, principal risks and uncertainties and future developments.

Financial instruments

The Group's principal funding instruments comprise bank balances, trade creditors, trade debtors, and loans from financial institutions. The main purpose of these instruments is to raise funds for and to finance the Group's operations.

The Group has bank accounts denominated in foreign currencies and manages its foreign exchange risks using forward foreign currency contracts. Liquidity risk is managed by maintaining a balance of funding and flexibility through the use of other loans.

Credit risk and cash flow risk relating to trade debtors are managed by utilising services from a financial institution as well as the regular monitoring of credit terms and credit limits.

Liquidity risk associated with trade creditors is managed by ensuring sufficient funds are available to meet liabilities as they fall due.

Directors

The directors of the company during the year were:

R G Turton
G W J Turton

Blagden (Holdings) Limited

Directors' report For the year ended 31 December 2019 (*continued*)

Going Concern

The COVID-19 pandemic has had a significant impact on the way the business operates. The business has coped well during this period. A proportion of the company's sales relate to essential business supplies and the directors believe that there will continue to be demand for these products. Management have increased the reporting requirements on the business, to analyse the impact and support appropriate actions. The directors hold the view that the Company has the ability to meet its financial obligations within twelve months from the date of this report.

Auditor

The current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



R G Turton

Director

25.08.2020

Blagden (Holdings) Limited

Directors' responsibilities statement For the year ended 31 December 2019

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the group and company for that year.

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;
- 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.

Blagden (Holdings) Limited

Strategic report For the year ended 31 December 2019

Fair review of the business

The principal activities of the Group is the source and supply of a comprehensive range of speciality chemicals to key market sectors in the UK and Ireland.

Blagden acts as a specialist distributor carrying out the functions of global sourcing, technical promotion, sales and marketing and warehousing and distribution of specialty chemicals. The key industry sectors include coatings, plastics and polymers, industrial, personal care, food and nutrition and healthcare. The bespoke dry packaging and the blending of custom made solutions takes place at our Liverpool distribution site.

Principal risks and uncertainties

There is a risk that the UK may leave the EU without a trade agreement in place. The Company has therefore put in place arrangements to mitigate that risk and these include EORI VAT for UK and Ireland, customs clearance procedures, import duty deferment application, simplified import VAT accounting and working with customers to increase stock holdings in order to minimise potential supply disruption.

The COVID-19 pandemic is having an effect on the Company's business with some of it's customers deciding to temporarily close their operations, furlough staff and go on short time working. However, the Company has coped well, with all departments working throughout the pandemic, with it's warehouse and logistics fully operating to satisfy our customer's needs.

The Company buys the majority of its purchases in Euros and is therefore at risk to exchange rate fluctuations. The Company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of payments in foreign currency.

As always, we face the possibility of a loss of a key supply partner through strategic changes of consolidation and/or acquisition.

Analysis of the development and performance of the business

Trading performance in 2019 remained strong with the company taking on new business. New business development is a key element of our strategy and positive results are being seen from our efforts to introduce new products and new sources of supply to complement our existing product ranges for our core market sectors and for new markets.

We continue to strive for improvements to our business processes and customer service. Now with upgraded ERP software and planned CRM implementation, business performance will continue to improve.

Analysis of the position of the business

Sales revenues were down slightly on the previous year, although this was offset by an improvement in margins.

Our business model and finances continue to be resilient. However, in 2020/2021 the impact of the coronavirus pandemic, uncertainty over the performance of the UK economy with the likelihood of unstable trading conditions, volatility and weaker Sterling may bring difficult trading conditions.

Blagden (Holdings) Limited

Strategic report
For the year ended 31 December 2019 (*continued*)

Key Performance Indicators

	2019	2018
Stock/Cost of Sales %	13.3%	11.1%
Debtors/Sales %	14.4%	15.0%
Creditors/Cost of Sales %	13.0%	16.1%
Net current assets/Sales %	21.4%	21.8%
Stock turnover in calendar days	48.6 days	40.5 days
Trade debtors in calendar days	52.6 days	54.9 days
Trade creditors in calendar days	47.4 days	58.7 days
Gross margin	21.6%	20.2%
EBITDA/Sales %	6.3%	6.2%
Profit before interest and tax/Net current assets %	25.0%	25.4%

Key ratios are monitored on a regular basis to ensure focus is placed on managing the company assets.

On behalf of the Board



R G Turton

Director

25.08.2020

Blagden (Holdings) Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BLAGDEN (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Blagden (Holdings) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Company statement of financial position, Company statement of changes in equity, Consolidated statement of cash flows, and the 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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 Group and the Parent 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Strategic 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.

Blagden (Holdings) Limited

Independent auditor's report (*continued*)

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of Directors

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 Group's and the 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Blagden (Holdings) Limited

Independent auditor's report (*continued*)

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matt Crane (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London, UK
25.08.2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Blagden (Holdings) Limited

Consolidated statement of comprehensive income For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	25,394,041	26,877,893
Cost of sales		(19,916,528)	(21,459,042)
Gross profit		5,477,513	5,418,851
Administrative expenses		(4,117,187)	(3,934,996)
Operating profit	6	1,360,326	1,483,855
Interest receivable and other income		-	-
Interest payable and similar charges	7	(395)	(1,063)
Profit on ordinary activities before taxation		1,359,931	1,482,792
Taxation on profit from ordinary activities	8	(279,730)	(295,231)
Total comprehensive income for the financial year attributable to the owners of the company		1,080,201	1,187,561

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 16 to 26 form part of these financial statements

Blagden (Holdings) Limited


Consolidated statement of financial position As at 31 December 2019

Company number 8656712	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	9		11,839		71,125
Tangible assets	10		707,881		679,229
			<u>719,720</u>		<u>750,354</u>
Current assets					
Stocks	12	2,654,459		2,381,655	
Debtors	13	4,268,245		4,770,335	
Cash at bank and in hand		2,162,561		3,279,037	
		<u>9,085,265</u>		<u>10,431,027</u>	
Creditors: amounts falling due within one year	14	3,654,344		4,584,941	
Net current assets			<u>5,430,921</u>		<u>5,846,086</u>
Net assets			<u>6,150,641</u>		<u>6,596,440</u>
Capital and reserves					
Called up share capital	16		2,201,001		2,201,001
Merger reserve			(2,918,001)		(2,918,001)
Profit and loss account			6,867,641		7,313,440
Shareholders' funds			<u>6,150,641</u>		<u>6,596,440</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25.08.2020



R G Turton
Director



The notes on pages 16 to 26 form part of these financial statements.

Blagden (Holdings) Limited

Consolidated Statement of changes in equity For the year ended 31 December 2019

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
1 January 2018	2,201,001	(2,918,001)	7,151,879	6,434,879
Comprehensive income for the year				
Profit for the year	-	-	1,187,561	1,187,561
Total comprehensive income for the year	-	-	1,187,561	1,187,561
Contributions by and distributions to owners				
Dividends	-	-	(1,026,000)	(1,026,000)
Total transactions with owners	-	-	(1,026,000)	(1,026,000)
31 December 2018	2,201,001	(2,918,001)	7,313,440	6,596,440
	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
1 January 2019	2,201,001	(2,918,001)	7,313,440	6,596,440
Comprehensive income for the year				
Profit for the year	-	-	1,080,201	1,080,201
Total comprehensive income for the year	-	-	1,080,201	1,080,201
Contributions by and distributions to owners				
Dividends	-	-	(1,526,000)	(1,526,000)
Total transactions with owners	-	-	(1,526,000)	(1,526,000)
31 December 2019	2,201,001	(2,918,001)	6,867,641	6,150,641

The notes on pages 16 to 26 form part of these financial statements.

Blagden (Holdings) Limited

Company statement of financial position As at 31 December 2019

Company number 8656712	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	11		4,422,000		4,422,000
Current assets					
Debtors	13	681,001		681,001	
Cash and bank		7,717		7,717	
		<u>688,718</u>		<u>688,718</u>	
Creditors: amounts falling due within one year	14	2,892,134		2,892,134	
Net current liabilities			<u>(2,203,416)</u>		<u>(2,203,416)</u>
Net assets			<u>2,218,584</u>		<u>2,218,584</u>
Capital and reserves					
Called up share capital	16		2,201,001		2,201,001
Profit and loss account			17,583		17,583
Shareholders' funds			<u>2,218,584</u>		<u>2,218,584</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25.08.2020



R G Turton
Director

The notes on pages 16 to 26 form part of these financial statements.

Blagden (Holdings) Limited

Company Statement of changes in equity For the year ended 31 December 2019

	Share capital £	Profit and loss account £	Total equity £
1 January 2018	2,201,001	17,660	2,218,661
Comprehensive income for the year			
Operating loss for the year	-	(77)	(77)
Dividends received	-	1,026,000	1,026,000
Total comprehensive income for the year	-	1,025,923	1,025,923
Contributions by and distributions to owners			
Dividends paid	-	(1,026,000)	(1,026,000)
Transactions with owners	-	(1,026,000)	(1,026,000)
31 December 2018	2,201,001	17,583	2,218,584
	Share capital £	Profit and loss account £	Total equity £
1 January 2019	2,201,001	17,583	2,218,584
Comprehensive income for the year			
Operating loss for the year	-	-	-
Dividends received	-	1,526,000	1,526,000
Total comprehensive income for the year	-	1,526,000	1,526,000
Contributions by and distributions to owners			
Dividends paid	-	(1,526,000)	(1,526,000)
Transactions with owners	-	(1,526,000)	(1,526,000)
31 December 2019	2,201,001	17,583	2,218,584

The notes on pages 16 to 26 form part of these financial statements.

Blagden (Holdings) Limited

Consolidated statement of cash flows For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		1,360,326	1,483,855
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	9,10	228,020	193,862
Profit on disposal of tangible fixed assets		(6,335)	(9,311)
Increase/decrease in stock	12	(272,804)	139,868
Increase in trade and other debtors	13	502,089	920,067
Decrease in trade and other creditors	14	(931,329)	(329,271)
Cash from operations		879,967	2,399,070
Interest paid		(395)	(1,063)
Taxation paid		(278,997)	(276,829)
Net cash generated from operating activities		600,575	2,121,178
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,938)	-
Proceeds from sale of tangible fixed assets		6,335	9,311
Purchases of tangible fixed assets	10	(185,448)	(196,595)
Net cash used in investing activities		(191,051)	(187,284)
Cash flows from financing activities			
Equity dividend paid		(1,526,000)	(1,026,000)
Net cash used in financing activities		(1,526,000)	(1,026,000)
Net increase in cash and cash equivalents		(1,116,476)	907,894
Cash and cash equivalents at the beginning of the year		3,279,037	2,371,144
Cash and cash equivalents at the end of the year		2,162,561	3,279,037
Cash and cash equivalents comprise:			
Cash at bank and in hand		2,162,561	3,279,037
		2,162,561	3,279,037

The notes on pages 16 to 26 form part of these financial statements.

Blagden (Holdings) Limited

Notes forming part of the financial statements For the year ended 31 December 2019

1 Accounting policies

Blagden Holdings Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on page 1 and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The company has taken advantage of the following exemptions in preparing the financial statements, as permitted by FRS 102 for qualifying entities:-

- Not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year;
- Not to prepare a statement of individual company cash flows; and
- Not to disclose key management personnel compensation in total.

The company's shareholders have been notified in writing about this and do not object to the use of the above exemptions.

The following principal accounting policies have been applied:

Basis of consolidation

The financial statements consolidate the accounts of Blagden Holdings Limited and all of its subsidiary undertakings ('subsidiaries').

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover is derived from the company's ordinary activities. Revenue from the sales of goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed payment. These criteria are considered to be met when the goods have been delivered to the buyer.

Goodwill

Goodwill is stated at cost less accumulated amortisation and is amortised on a straight line basis over 5 years. See also note 9.

Reserves

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium account represents amounts subscribed for share capital in excess of the nominal value.
- Merger reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Blagden (Holdings) Limited

Notes forming part of the financial statements For the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Investment property	-	2% straight line
Motor vehicles	-	straight line over 3-5 years
Fixtures and fittings	-	12.5% - 33.3% straight line
Plant and machinery	-	15% reducing balance

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals payable under operating leases are charged against income on a straight line basis over the lease term. The costs relating to the renewal of the operating lease are capitalised as intangible fixed assets under investment property and amortised over the lease term.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date in the country where the company operates and generates taxable income.

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

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Blagden (Holdings) Limited

Notes forming part of the financial statements For the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Foreign currencies

The company's functional and presentation currency is GBP. Foreign currency transactions are translated into the group entity's 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 profit or loss.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises direct costs and, where appropriate, a proportion of attributable overheads. Net realisable value is the estimated selling price less costs necessary to make the sale. Further detail on the provision calculation is set out in note 2.

Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by group to the fund in respect of the period.

Going concern

The company is part of the Blagden Holdings group (the "Group") and has financial support available to it from its parent and other group companies if required. The Group monitors its capital position and its liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements. After making enquiries, the directors have a reasonable expectation that the company will continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (continued)

2 Significant estimates and judgements

In preparing these financial statements the directors have made judgements in the following areas.

Bad debt provision

The directors make judgements as to the group's ability to collect outstanding debtors and provide allowances for a portion of debtors when collection becomes doubtful. Provisions are made based on a specific review of significant outstanding invoices.

Stock provision

Judgement is also made in valuing the net realisable value of stock. A stock provision is made based on a review of the age of the stock and based on products which have passed or are approaching their expiry dates.

3 Turnover

An analysis of turnover by geographical market is as follows:

	2019 £	2018 £
UK	24,337,372	25,415,747
Europe	1,044,419	1,332,198
Rest of World	12,250	129,948
	<u>25,394,041</u>	<u>26,877,893</u>

4 Employees

	2019 £	2018 £
Staff costs, including directors' remuneration, consist of:		
Wages and salaries	2,351,696	2,134,584
Social security costs	355,124	361,716
Other pension costs	95,051	85,902
	<u>2,801,871</u>	<u>2,582,202</u>

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

	Number	Number
Warehouse and distribution	6	6
Selling	29	27
Administration	22	19
	<u>57</u>	<u>52</u>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (continued)

5 Directors' remuneration

	2019 £	2018 £
Emoluments	278,076	278,199
Social security costs	44,584	44,183
	<u>322,660</u>	<u>322,382</u>
Company pension contributions to money purchase pension schemes	-	-

During the year no retirement benefits were accruing to the director (2018 - £Nil) in respect of money purchase pension schemes.

The highest paid director received remuneration of £278,076 (2018 - £278,199).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

6 Operating profit

	2019 £	2018 £
This has been arrived at after charging/(crediting):		
Amortisation - intangible assets	71,224	71,123
Depreciation of tangible assets - owned by the group	156,796	122,739
Auditor's remuneration	32,800	35,775
Difference on foreign exchange	(1,809)	60,682
Operating lease expenditure	84,780	98,280
Profit on disposal of fixed assets	(6,335)	(9,311)

7 Interest payable and similar charges

	2019 £	2018 £
On bank loans and overdrafts	395	1,063
	<u>395</u>	<u>1,063</u>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (continued)

8 Taxation on profit from ordinary activities

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<i>Current tax</i>				
UK corporation tax on profits of the period	282,390	295,231	-	-
Prior year adjustment	(2,660)	-	-	-
	<u>279,730</u>	<u>295,231</u>	<u>-</u>	<u>-</u>
Total current tax	279,730	295,231	-	-

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Profit on ordinary activities before tax	1,359,932	1,482,792	-	(77)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 – 19%)	258,212	281,555	-	(15)
Effects of:				
Expenses not deductible	9,010	4,079	-	-
Income not taxable for tax purposes	-	-	-	-
Movement in provisions	2,325	556	-	-
Depreciation in excess of capital allowance	(4,465)	(7,805)	-	-
Capitalisation revenue expenditure allowable on an accounts basis	(298)	(229)	-	-
Depreciation on assets ineligible for capital allowances	17,606	17,075	-	-
Prior year adjustment	(2,660)	-	-	-
Group relief	-	-	-	15
	<u>279,730</u>	<u>295,231</u>	<u>-</u>	<u>-</u>
Current tax charge for year	279,730	295,231	-	-

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (*continued*)

9 Intangible assets

	Goodwill	Investment Property	Total
Group	£	£	£
<i>Cost</i>			
At 1 January 2019	699,598	-	699,598
Additions	-	11,938	11,938
At 31 December 2019	699,598	11,938	711,536
<i>Amortisation</i>			
At 1 January 2019	628,473	-	628,473
Charge for the year	71,125	99	71,224
At 31 December 2019	699,598	99	699,697
<i>Net book value</i>			
At 31 December 2019	-	11,839	11,839
At 31 December 2018	71,125	-	71,125

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (*continued*)

10 Tangible assets

Group	Investment property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>					
At 1 January 2019	431,874	448,505	270,615	986,608	2,137,602
Additions	-	27,224	78,160	80,064	185,448
Disposals	-	-	(50,990)	-	(50,990)
At 31 December 2019	431,874	475,729	297,785	1,066,672	2,272,060
<i>Depreciation</i>					
At 1 January 2019	160,553	300,196	168,529	829,095	1,458,373
Charge for the year	8,638	26,138	56,876	65,144	156,796
Disposals	-	-	(50,990)	-	(50,990)
At 31 December 2019	169,191	326,334	174,415	894,239	1,564,179
<i>Net book value</i>					
At 31 December 2019	262,682	149,395	123,370	172,433	707,881
At 31 December 2018	271,321	148,309	102,086	157,513	679,229

The investment property is subject to a charge arising on bank loans held by Blagden Specialty Chemicals Limited, a subsidiary company.

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (*continued*)

11 Investments

Company	Shares in group undertakings £
<i>Cost or valuation</i>	
At 31 December 2019	4,422,000

Details of the principal subsidiaries can be found under Note 21.

12 Stock

	Group 2019 £	Group 2018 £
Finished goods and goods for resale	2,654,459	2,381,655

13 Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	3,657,865	4,041,695	-	-
Other debtors	444,791	590,378	1,001	1,001
Prepayments	165,589	138,262	-	-
Amounts owed by group undertakings	-	-	680,000	680,000
	<u>4,268,245</u>	<u>4,770,335</u>	<u>681,001</u>	<u>681,001</u>

14 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	2,584,377	3,449,951	-	-
Corporation tax	162,369	161,612	-	-
Social security and other taxes	554,623	617,058	-	-
Other creditors	5,963	18,882	-	-
Accruals	347,012	337,438	-	-
Amounts owed to group undertakings	-	-	2,892,134	2,892,134
	<u>3,654,344</u>	<u>4,584,941</u>	<u>2,892,134</u>	<u>2,892,134</u>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (continued)

15 Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial asset				
Financial assets that are debt instruments measured at amortised cost	4,102,657	4,632,050	681,001	681,001
Financial liabilities				
Financial liabilities measured at amortised cost	2,937,353	3,806,271	2,892,134	2,892,134

16 Share capital

Company	2019 Number	2018 Number	2019 £	2018 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	2,200,001	2,200,001	2,200,001	2,200,001
Issue of B shares of £1 each	1,000	1,000	1,000	1,000

17 Dividends

	2019 £	2018 £
Ordinary shares		
Dividends paid	(1,526,000)	(1,026,000)
Dividends received 2019	1,526,000	1,026,000

18 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £95,051 (2018 - £85,902). Contributions totalling £14,759 (2018 - £33,793) were payable to the fund at the balance sheet date and are included in other creditors.

19 Related party transactions

Directors' emoluments have been disclosed in note 5. The company has taken advantage of the exemptions provided by FRS 102 paragraph 33.1A and not disclosed the transactions with group undertakings where 100% of the voting rights are controlled within the group.

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2019 (Continued)

20 Commitments under operating leases

As at 31 December 2019, the group had minimum lease payments under non-cancellable operating leases as set out below:

	2019 Land and buildings £	2019 Other £	2018 Land and buildings £	2018 Other £
Within one year	130,000	-	49,140	-
In two to five years	650,000	-	-	-
	<u>780,000</u>	<u>-</u>	<u>49,140</u>	<u>-</u>

21 Principal subsidiaries

The financial statements consolidate the accounts of Blagden Holdings Limited and all of its subsidiary undertakings as detailed below.

Name	Country	Percentage of ordinary shares held	Nature of business
Blagden Specialty Chemicals Limited	England and Wales	100%	Global sourcing, sales and marketing, distribution, logistics and blending of speciality chemicals
Topaz Management Limited	England and Wales	100%	Property holding
Marlow Chemical Company Limited	England and Wales	100%	Dormant

22 Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £Nil (2018 - £77).

23 Subsequent Events

Apart from COVID-19, no significant subsequent events requiring disclosure or adjustment have occurred.