

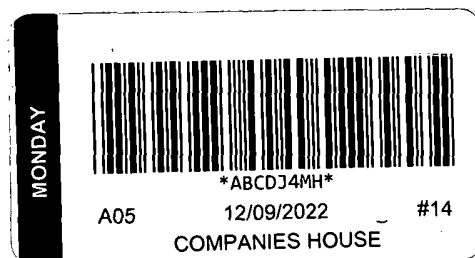
Blagden (Holdings) Limited

Report and Financial Statements

Year Ended

31 December 2021

Company Number 08656712



Blagden (Holdings) Limited

**Report and financial statements
For the year ended 31 December 2021**

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Blagden (Holdings) Limited

Directors and Advisors
For the year ended 31 December 2021

Directors	R G Turton (Managing) G W J Turton
Company number	08656712
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
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
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 2021

The Directors present the Report together with the audited financial statements for the year ended 31st December 2021.

Statutory information contained elsewhere in the Report and Financial Statements

Information required to be part of this Directors Report, can be found in the Strategic Report on page 5 relating to:

- a) events affecting the Company which have occurred since the end of the financial year.
- b) future developments in the business of the Company.

Results and dividends

The results for the year are set out on page 11.

A dividend of £1,524,000 was paid during the year (2020 - £524,000).

A dividend of £1,524,000 was received during the year (2020 - £524,000).

Principal activities

The principal activities of the Group are the sourcing and supply of a comprehensive range of specialty chemicals to key market sectors in the UK and Ireland and by representation of mainly overseas chemicals manufacturers.

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

Financial instruments

The Company's principal funding instruments comprise bank balances, trade creditors and trade debtors. The Company has bank accounts denominated in foreign currencies and manages foreign currency contracts to reduce exposure to the variability of foreign exchange.

Credit risk and cash flow risk relating to trade debtors are managed by utilising services for 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 Indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying indemnity provision, were in force during the 2021 financial year and remain in force for all Directors of the Company.

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 2021 (*continued*)

Going Concern

The Directors and senior management implemented their business continuity plans to deal with further outbreaks of COVID-19. This included remote working of the key sales personnel and administrative staff, whilst the distribution centre remained fully staffed and working throughout. Returning to work at our offices was considered to be essential as soon as safely possible for the efficiency of the business which coped well during this period. There is inflationary pressure on the business due to the war in Ukraine and rise in fuel prices. The Directors have increased the reporting requirements on the business, to analyse the impact and implement appropriate measures, and they 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 auditor will be proposed at the next annual general meeting.

On behalf of the Board



R G Turton

Director

Date: 05/09/2022

Blagden (Holdings) Limited

Directors' responsibilities statement For the year ended 31 December 2021

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 2021

Fair review of the Business

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 paint and coatings, plastics and polymers, industrial applicants, personal care, food and nutrition, medical and healthcare. The bespoke dry packaging and the blending of custom-made solutions takes place at our Liverpool distribution site.

Principal risks and uncertainties

COVID-19 continued to have a disruptive impact on the Company's business, however the Company has coped well with all departments working throughout the pandemic, and its warehouse and logistics centre kept fully operational to satisfy customers' needs.

The Company buys the majority of its purchases in Euros and is therefore at risk to exchange rate fluctuations. Forward purchase contracts are used to minimise this risk. In addition to this the company is experiencing inflationary pressures from its principals due to the impact of the war in Ukraine and increase in fuel prices.

There is a continuing risk that supply shortages globally will be serious during 2022 but the Company's business is in robust shape to withstand supply chain difficulties. The Company continues to take measures to improve supply lines and to hold stock to support our customers.

The UK has left the EU with a Trade Agreement in place and the Company has put in measures to mitigate risks for the UK and Ireland.

As always there is the possibility of the loss of a key supply partner through strategic changes of consolidation and acquisition.

Analysis of the development and performance of the business

Strong demand from customers was seen from all our end market segments. There was much volatility experienced however, in the supply chain and upward price pressures on supplies. Logistics cost increases also impacted us, with global shortages of sea containers causing delays in shipments.

We continue to strive for improvements to our business processes and customer service. Supported with upgraded ERP software and a new CRM system.

Analysis of the position of the business

Volumes and sales revenues were up significantly on the previous year with margin improvement.

Our business model and finances continue to be resilient.

Blagden (Holdings) Limited


Strategic report
For the year ended 31 December 2021 (*continued*)

Key Performance Indicators

	2021	2020
Stock/Cost of Sales %	12.2%	11.3%
Trade Debtors/Sales %	14.1%	16.5%
Trade Creditors/Cost of Sales %	14.8%	20.2%
Net current assets/Sales %	23.4%	27.5%
Stock turnover in calendar days	44.7 days	41.1 days
Trade debtors in calendar days	51.5 days	60.1 days
Trade creditors in calendar days	54.0 days	73.7 days
Gross margin	23.3%	23.1%
EBITDA/Sales %	9.3%	7.3%
Profit before interest and tax/Net current assets %	37.5%	24.1%

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

Date: 05/09/2022

Blagden (Holdings) Limited

Independent auditor's report

Independent auditor's report to the members of Blagden (Holdings) Limited

Opinion on the financial statements

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 2021 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.

We have audited the financial statements of Blagden (Holdings) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2021 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 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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.

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 Group or Parent 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Blagden (Holdings) Limited

Independent auditor's report (*continued*)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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.

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 or the Directors' 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.

Extent to which the audit was 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. 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 framework applicable to the entity and the industry in which it operates. We considered the significant laws and regulations to be Companies Act 2006 and the applicable accounting standards.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and posting inappropriate journal entries to manipulate the fair value of the Company's assets.

Audit procedures performed by the engagement team included:

- We considered the processes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those processes and controls.
- We challenged assumptions and judgements made by management in areas involving significant estimates.
- We performed substantive testing on account balances and transactions, which were considered to be a greater risk of susceptibility to fraud;
- We targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, as well as a focus on large and unusual transactions based upon our knowledge of the business;
- We made enquiries of Management, those charged with governance and those responsible for legal and compliance procedures as to whether there was any correspondence from regulators in so far as the correspondence related to financial statements; and
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

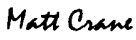
Blagden (Holdings) Limited

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

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.

DocuSigned by:

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Matt Crane (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
05/09/2022

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 2021

	Note	2021 £	2020 £
Turnover	3	28,820,210	22,493,588
Cost of sales		(22,115,796)	(17,298,203)
Gross profit		6,704,414	5,195,385
Administrative expenses		(4,169,136)	(3,708,928)
Operating profit	6	2,535,278	1,486,457
Interest receivable and other income	7	142	27
Interest payable and similar charges	7	(3,196)	-
Profit on ordinary activities before taxation		2,532,224	1,486,484
Taxation on profit from ordinary activities	8	(531,518)	(305,572)
Total comprehensive income for the financial year attributable to the owners of the Company		2,000,706	1,180,912
Dividends received		1,524,000	524,000
Dividends paid		(1,524,000)	(524,000)

All amounts relate to continuing activities.

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

The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Consolidated statement of financial position As at 31 December 2021

<i>Company number 08656712</i>	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	9		9,451		10,645
Tangible assets	10		521,422		618,211
			<u>530,873</u>		<u>628,856</u>
Current assets					
Stocks	12	2,705,549		1,947,709	
Debtors	13	4,818,950		4,592,501	
Cash at bank and in hand		4,319,382		5,317,635	
		<u>11,843,881</u>		<u>11,857,845</u>	
Creditors: amounts falling due within one year	14	5,090,495		5,679,148	
Net current assets			<u>6,753,386</u>		<u>6,178,697</u>
Net assets			<u>7,284,259</u>		<u>6,807,553</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			8,001,259		7,524,553
Shareholders' funds			<u>7,284,259</u>		<u>6,807,553</u>

The financial statements were approved by the Board of Directors and authorised for issue on 05.09.2022



R G Turton
Director

The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Consolidated Statement of changes in equity For the year ended 31 December 2021

	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
1 January 2020	2,201,001	(2,918,001)	6,867,641	6,150,641
Comprehensive income for the year				
Profit for the year	-	-	1,180,912	1,180,912
Total comprehensive income for the year	-	-	1,180,912	1,180,912
Contributions by and distributions to owners				
Dividends	-	-	(524,000)	(524,000)
Total transactions with owners	-	-	(524,000)	(524,000)
31 December 2020	2,201,001	(2,918,001)	7,524,553	6,807,553
	Share capital £	Merger reserve £	Profit and loss account £	Total equity £
1 January 2021	2,201,001	(2,918,001)	7,524,553	6,807,553
Comprehensive income for the year				
Profit for the year	-	-	2,000,706	2,000,706
Total comprehensive income for the year	-	-		
Contributions by and distributions to owners				
Dividends	-	-	(1,524,000)	(1,524,000)
Total transactions with owners			(1,524,000)	(1,524,000)
31 December 2021	2,201,001	(2,918,001)	8,001,259	7,284,259

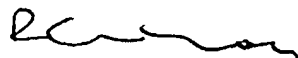
The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Company statement of financial position As at 31 December 2021

Company number 08656712	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	11		4,422,000		4,422,000
Current assets					
Debtors	13	681,001		681,001	
Cash and bank		7,627		7,687	
		<u>688,628</u>		<u>688,688</u>	
Creditors: amounts falling due within one year	14	2,892,134		2,892,134	
Net current liabilities			<u>(2,203,506)</u>		<u>(2,203,446)</u>
Net assets			<u>2,218,494</u>		<u>2,218,554</u>
Capital and reserves					
Called up share capital	16		2,201,001		2,201,001
Profit and loss account			17,493		17,553
Shareholders' funds			<u>2,218,494</u>		<u>2,218,554</u>

The financial statements were approved by the Board of Directors and authorised for issue on 05.09.2022



R G Turton
Director

The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Company Statement of changes in equity For the year ended 31 December 2021

	Share capital £	Profit and loss account £	Total equity £
1 January 2020	2,201,001	17,583	2,218,584
Comprehensive income for the year			
Operating loss for the year	-	(30)	(30)
Dividends received	-	524,000	524,000
Total comprehensive income for the year	-	523,970	523,970
Contributions by and distributions to owners			
Dividends paid	-	(524,000)	(524,000)
Transactions with owners	-	(524,000)	(524,000)
31 December 2020	2,201,001	17,553	2,218,554
	Share capital £	Profit and loss account £	Total equity £
1 January 2021	2,201,001	17,553	2,218,554
Comprehensive income for the year			
Operating loss for the year	-	(60)	(60)
Dividends received	-	1,524,000	1,524,000
Total comprehensive income for the year	-	1,523,940	1,523,940
Contributions by and distributions to owners			
Dividends paid	-	(1,524,000)	(1,524,000)
Transactions with owners	-	(1,524,000)	(1,524,000)
31 December 2021	2,201,001	17,493	2,218,494

The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Consolidated statement of cash flows For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the financial year before tax		2,535,278	1,486,457
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	9,10	141,900	149,301
Profit on disposal of tangible fixed assets		-	(15,450)
(Increase)/Decrease in stock	12	(757,840)	706,750
(Increase) in trade and other debtors	13	(226,449)	(324,256)
(Decrease)/Increase in trade and other creditors	14	(866,060)	2,073,867
Unrealised currency translation gains		(38,238)	(74,872)
Cash from operations		788,591	4,001,797
Interest paid		(3,054)	27
Taxation paid		(254,111)	(354,635)
Net cash generated from operating activities		531,426	3,647,189
Cash flows from investing activities			
Purchase of intangible fixed assets		-	-
Proceeds from sale of tangible fixed assets		-	15,450
Purchases of tangible fixed assets	10	(43,917)	(58,437)
Net cash used in investing activities		(43,917)	(42,987)
Cash flows from financing activities			
Equity dividend paid		(1,524,000)	(524,000)
Net cash used in financing activities		(1,524,000)	(524,000)
Effect of exchange rate fluctuations on cash held		38,238	74,872
Net increase in cash and cash equivalents		(998,253)	3,155,074
Cash and cash equivalents at the beginning of the year		5,317,635	2,162,561
Cash and cash equivalents at the end of the year		4,319,382	5,317,635
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,319,382	5,317,635
		4,319,382	5,317,635

The notes on pages 17 to 27 form part of these financial statements.

Blagden (Holdings) Limited

Notes forming part of the financial statements For the year ended 31 December 2021

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 2021 (*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 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 2021 (*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 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. Macro-economic conditions are frequently monitored to assess their potential impact on the Company. 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 2021 (*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:

	2021 £	2020 £
UK	26,917,320	21,083,288
Europe	1,881,782	1,352,620
Rest of World	21,108	57,680
	<hr/>	<hr/>
	28,820,210	22,493,588
	<hr/>	<hr/>

4 Employees

Staff costs, including Directors' remuneration, consist of:

	2021 £	2020 £
Wages and salaries	2,414,299	2,274,490
Social security costs	352,002	336,428
Other pension costs	109,848	99,968
	<hr/>	<hr/>
	2,876,149	2,710,886
	<hr/>	<hr/>

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

	Number	Number
Warehouse and distribution	6	6
Selling	27	27
Administration	24	22
	<hr/>	<hr/>
	57	55
	<hr/>	<hr/>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2021 (continued)

5 Directors' remuneration

	2021 £	2020 £
Emoluments	345,912	296,397
Social security costs	55,612	46,386
	<u>401,524</u>	<u>342,783</u>
Company pension contributions to money purchase pension schemes	<u>3,115</u>	<u>765</u>

The highest paid Director received remuneration of £278,372 (2020 - £296,397).

The value of the Company's contributions paid to a money purchase pension scheme in respect of the highest paid Director amounted to £0 (2020 - £765).

6 Operating profit

	2021 £	2020 £
This has been arrived at after charging/(crediting):		
Amortisation - intangible assets	1,194	1,194
Depreciation of tangible assets - owned by the Group	140,706	148,107
Auditor's remuneration	34,850	35,650
Difference on foreign exchange	35,293	(30,806)
Operating lease expenditure	130,978	130,978
Profit on disposal of fixed assets	-	(15,450)
	<u></u>	<u></u>

7 Interest payable/receivable

	2021 £	2020 £
Interest received	142	27
On bank loans and overdrafts	(3,196)	-
	<u>(3,054)</u>	<u>27</u>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2021 (*continued*)

8 Taxation on profit from ordinary activities

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<i>Current tax</i>				
UK corporation tax on profits of the period	531,518	303,828	-	-
Prior year adjustment	-	1,744	-	-
	<u>531,518</u>	<u>305,572</u>	<u>-</u>	<u>-</u>
Total current tax	531,518	305,572	-	-

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Profit/(loss) on ordinary activities before tax	2,532,224	1,486,484	(60)	(30)
	<u>2,532,224</u>	<u>1,486,484</u>	<u>(60)</u>	<u>(30)</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 – 19%)	481,123	282,432	(11)	(6)
Effects of:				
Expenses not deductible	9,326	9,418	-	-
Movement in deferred tax not recognised	59,482	11,520	-	-
Depreciation in excess of capital allowances	-	-	-	-
Depreciation on assets ineligible for capital allowances	1,992	1,992	-	-
Capitalisation revenue expenditure allowable on an account's basis	-	-	-	-
Remeasurement of deferred tax for changes in tax rates	(20,632)	(1,761)	-	-
Losses eliminated at 19%	227	227	-	-
Prior year adjustment	-	1,744	-	-
Group relief	-	-	11	6
	<u>481,123</u>	<u>282,432</u>	<u>(11)</u>	<u>(6)</u>
Current tax charge for year	531,518	305,572	-	-

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2021 (*continued*)

9 Intangible assets

Group	Goodwill £	Investment Property £	Total £
<i>Cost</i>			
At 1 January 2021	699,598	11,938	711,536
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	699,598	11,938	711,536
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
At 1 January 2021	699,598	1,293	700,891
Charge for the year	-	1,194	1,194
	<hr/>	<hr/>	<hr/>
At 31 December 2021	699,598	2,487	9,451
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2021	-	9,451	9,451
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	10,645	10,645
	<hr/>	<hr/>	<hr/>

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2021 (*continued*)

10 Tangible assets

Group	Investment property £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>					
At 1 January 2021	431,874	478,574	273,170	1,104,564	2,288,182
Additions	-	3,317	25,000	15,600	43,917
Disposals	-	-	-	(297,478)	(297,478)
At 31 December 2021	431,874	481,891	298,170	822,686	2,034,621
<i>Depreciation</i>					
At 1 January 2021	177,828	348,743	185,013	958,387	1,669,971
Charge for the year	8,637	19,475	53,597	58,997	140,706
Disposals	-	-	-	(297,478)	(297,478)
At 31 December 2021	186,465	368,218	238,610	719,906	1,513,199
<i>Net book value</i>					
At 31 December 2021	245,409	113,673	59,560	102,780	521,422
At 31 December 2020	254,046	129,831	88,157	146,177	618,211

The investment property is subject to a charge arising on an Invoice Finance facility held by Blagden Specialty Chemicals Limited, a subsidiary company. This facility has been discontinued in 2021.

Blagden (Holdings) Limited

Notes forming part of the financial statements
For the year ended 31 December 2021 (continued)

11 Investments

Company	Shares in Group undertakings £
Cost or valuation At 31 December 2021	4,422,000

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

12 Stock

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	2,705,549	1,947,709

13 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	4,066,658	3,700,938	-	-
Other debtors	592,662	605,513	1,001	1,001
Prepayments	159,630	286,050	-	-
Amounts owed by Group undertakings	-	-	680,000	680,000
	<u>4,818,950</u>	<u>4,592,501</u>	<u>681,001</u>	<u>681,001</u>

14 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	3,272,410	3,491,589	-	-
Corporation tax	390,713	113,306	-	-
Social security and other taxes	972,750	1,754,879	-	-
Other creditors	17,127	6,278	-	-
Accruals	437,495	313,096	-	-
Amounts owed to Group undertakings	-	-	2,892,134	2,892,134
	<u>5,090,495</u>	<u>5,679,148</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 2021 (continued)

15 Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial asset				
Financial assets that are debt instruments measured at amortised cost	4,659,320	4,306,451	681,001	681,001
Financial liabilities				
Financial liabilities measured at amortised cost	3,727,032	3,810,963	2,892,134	2,892,134

16 Share capital

Company	2021 Number	2020 Number	2021 £	2020 £
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

	2021 £	2020 £
Ordinary shares		
Dividends paid	(1,524,000)	(524,000)
Dividends received 2021	1,524,000	524,000

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 £109,848 (2020 - £99,968). Contributions totalling £19,528 (2020 - £16,698) 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 2021 (Continued)

20 Commitments under operating leases

As at 31 December 2021, the Group had minimum lease payments under non-cancellable operating leases as set out below:

	2021 Land and buildings £	2021 Other £	2020 Land and buildings £	2020 Other £
Within one year	130,000	-	130,000	-
In two to five years	650,000	-	650,000	-
	<u>780,000</u>	<u>-</u>	<u>780,000</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 (£60) (2020 – (£30)).

23 Subsequent Events

The continuation of COVID-19 pandemic into 2022 and dividends paid of £512,000 in 2021 are non-adjusting subsequent events, no other significant subsequent events requiring disclosure or adjustment have occurred.